

Develop Israel with Israel Bonds

MARGINAL COLUMN
BY ARTHUR SAUL SUFER

THROUGH various channels I am rewording a letter which reached me in Vancouver this week from a young Israeli who is studying on a fellowship at an American Institute of Technology. His point of view is interesting both in its implied self-criticism and its judgment of American Jewry. "I have by now," he writes, "spent four months away from home and met through helping the Israel Bond Drive as far as I can, many people — Jews of all denominations. Strangely enough this has been sufficient, almost to rid me of a narrow Israel concept of the Jewish nation. I no longer try to appear as an arrogant Jewish nationalist and I temper my naturally Israel ideas with the wider realization that the Jewish people as an entity not wholly included in the Zionist movement. Do not mistake me, I mean no more than that I no longer resent the disgust when I learn of a person — and meet him — whom I know to be actively antagonistic to what I hold dear. It occurs to me that this opposition, his expression of hatred (self-isolation) from the Zionist movement is as much an assertion of his Jewishness as ours is. How can I, who do not suffer the pressures to which he is exposed, judge him as a traitor? His weakness is emotional, his instability that of the environment in which he lives. All America is afraid."

I FOUND this letter a fascinating revelation of the mind of one abroad. One does not suggest for a moment that it is typical of all our students in the U.S. but the very tolerances so charmingly expressed hide intolerant attitudes. For example his first impulse to dub the non-Zionist "traitor" — the expression "register disgust" in that connection; violent language in which, after four months abroad, he now looks back on his former attitude of a "narrow Israel concept of a Jewish nation." Now that he has seen the American Jew at close quarters he has been able to expand this view as to regard the whole of Jewry as one entity, one people who strongly oppose Zionism. One is somewhat reminded of the Salvationists and evangelists in writers like Bernard Shaw who, of the older generation, who know all the problems of the Jew in exile, seek to take them into consideration in formulating their views. We hold ideological conferences to explain why we want them to feel this way or that and why we adopt this or that line of conduct. We write heavy volumes and tracts on the subject. Not so the sabra: he goes to the Western world, takes a look at the Jew right away and then determines to tolerate them and accept them as they are — one completely united Jewish people and will hear no arguments to the contrary. He dismisses their doubts and reservations as the product of their own fear. "All America is afraid."

ONE cannot help liking this sabra's absolute determination to force tolerant feelings on himself and on the Diaspora, whether they like it or not. It has the germ of a new and valuable approach to the future partnership of Israel-Diaspora relationships. We of the older generation, who know all the problems of the Jew in exile, seek to take them into consideration in formulating their views. We hold ideological conferences to explain why we want them to feel this way or that and why we adopt this or that line of conduct. We write heavy volumes and tracts on the subject. Not so the sabra: he goes to the Western world, takes a look at the Jew right away and then determines to tolerate them and accept them as they are — one completely united Jewish people and will hear no arguments to the contrary. He dismisses their doubts and reservations as the product of their own fear. "All America is afraid."

BEHIND all this there lurks a great truth: As our younger Israel generation develops, as our young nation begins to open wider and wider windows on the Western world, it will come naturally and by the power of the inherent forces of understanding which it generates within itself, to compel a community of interest between the Jewish state and the rest of World Jewry. At the moment every definition put forward has its eloquent protagonists and its convincing rationales. But beyond them all one is driven to the sneaking suspicion that the final answer will be dictated on lines we still have not foreseen by the new generation growing up in Israel and not from without; and that generation will find a sure means of making its answer acceptable to world Jewry. Vancouver, April 23.

FIVE UKRAINIANS DIE FOR 'CONSPIRACY'
VIENNA (UPI). — Five members of the Ukrainian nationalist underground have been executed in Russia for "counter-revolutionary activities, sabotage and conspiracy against the Soviet regime," according to the official Ukrainian news agency, Rostov.

Mrs. Meir Hopes Rumania Will Reopen Gates

The Foreign Minister, Mrs. Golda Meir, told a delegation of Rumanian immigrants on Thursday that she hoped the Rumanian Government would respond to pleas for a continuation of the humane policy of reuniting divided families. The delegation, representing immigrants who were separated from their immediate families on coming to Israel, asked the Foreign Minister to do her utmost to reunite them with their relatives. Mrs. Meir promised her fullest support in these efforts and noted the Rumanian Government's humanitarian policy in the past in permitting such reunions. The group included mothers whose children remained behind in Rumania, husbands whose wives had not received permission to leave for Israel, wives who had arrived without their husbands, and young children who were separated from their parents. Mrs. Meir was told of the most tragic cases of her Jewish people: an elderly woman who lost five of her six daughters during World War Two and has been waiting for over nine years for her remaining daughter to join her in Israel; two children aged eight and 12 who were separated from their parents.

The delegation stressed that these were typical of the plight of several thousand families whose members have been in Israel for some time.

BUNCHE TELLS ISRAEL OF TALKS WITH FAWZI

UNITED NATIONS. — Mr. Yusef Tikhon, Israel's Deputy Representative on Wednesday afternoon for an hour with Undersecretary Ralph Bunche. He was understood to have received a report on the six-week meeting held in Lausanne last Saturday between Dr. Bunche, Mr. Dag Hammarskjöld, the Secretary-General of the United Nations, and the UAR Foreign Minister.

Jerusalem Bible for Eisenhower

By JESSE ZEL LUBIN, Jerusalem Post Correspondent

NEW YORK. — Ambassador Abba Eban on Thursday presented a Hebrew-English illustrated Jerusalem Bible to President Eisenhower at the Israel Pavilion at the World Trade Fair here.

"We made many things in Israel," Mr. Eban told the President, "but this is our most important product." Expressing interest in the English translation, Mr. Eisenhower stated, "I don't think I'll live long enough to study Hebrew."

The parchment-bound, silver-decorated Bible contained a dedication reading, "Presented to Dwight D. Eisenhower, President of the United States, in respect of the Jewish people of Israel."

Touring the pavilion, Mr. Eisenhower stopped in front of the automatic brakes exhibit and remarked, "Brakes are most important when I drive, but I haven't driven in years. I visited a score of pavilions including the Polish (Russia is not represented). The U.A.R. Ambassador, Mustafa Kamel, gave him an engraved copper tray.

Eban: Israel Sure Of U.S. Friendship

NEW YORK (JNA). — Ambassador Abba Eban said farewell to American Jewry Thursday night at a mass rally at Madison Square Garden.

Speaking of Israel-U.S. relations, he said: "When the time comes for everything that has been done and said and written to be scrutinized by history, the years between March, 1947, and today will emerge as a period of deep understanding in the history of American-Israel friendship. This relationship should be approached with a basic confidence in its stability."

Karamah Disclaims Malik's Toast

Charles Malik drinking a toast in Israel champagne does not bind Lebanon in any manner, Lebanese Premier Rashid Karamah declared at his weekly press conference in Beirut on Wednesday, the Arab News Agency has reported.

Malik, President of the U.N. General Assembly and former Lebanese delegate, was photographed "in the act" of raising his glass with, and congratulating, Israeli Ambassador Abba Eban.

De Gaulle Assures Israel of Support

By ABI RATH, Jerusalem Post Reporter

TEL AVIV. — The Fifth Republic is to continue the policy of friendship and active assistance to Israel; this is the main content of the special message which De Gaulle gave me to hand to the Government of Israel, M. Guy Mollet, former French Premier, told The Jerusalem Post on Thursday.

Mollet had been asked to convey his government's policy towards Israel had been taken over by the present regime. He emphasized the message to Prime Minister Ben-Gurion and Foreign Minister Golda Meir, and I shall make its details public on Friday (today) when I address a meeting of the Israel-France Friendship League in Tel Aviv," M. Mollet added.

He emphasized the fact that the message is in the form of personal greetings from President de Gaulle on the occasion of Israel's Independence Day, but this year it is worded more elaborately. "Although it is too early to sum up my first three days in Israel," M. Mollet said, "I can say that the most striking impression is that of the special spirit of your army, which is almost without parallel in any other country."

He continued, "Your strength is in your spirit, and you seem to have solved the problem of establishing a community of feeling between the army and the nation. I am proud to have been able to help your army."

A Nation in Arms

"When I sensed the close contact between your people and the army of the Independence Day parade, and when I later saw how privates and generals celebrated together, I felt that you were actually a nation in arms, and that your army is an integral part of it," M. Mollet said. He recalled that the famous French Socialist leader, Jean Jaures, wrote in his book "Armee Nouvelle" at the beginning of this century that the problem of keeping a popular army in the hands of a democracy was the question facing a democracy. "You

H.U. Students Out Despite B-G Plea

The Hebrew University student body went out on strike from this morning in protest against the Government's approval of the Agranat Committee report raising annual tuition fees by approximately \$1,150 a year to about \$14,000.

The decision to go out on strike was approved by the Students' Association on Thursday night. The Committee had earlier warned that if no answer to its demands was received from Prime Minister Ben-Gurion by then, it would declare a strike.

The Chairman of the Students' Association, Mr. Meir Benvenisti, presented his resignation immediately after the decision to strike was taken and it was accepted on the spot. He said that he had opposed the strike and thus could not continue in office.

Twining Has Surgery For Lung Cancer

WASHINGTON (Reuters). — General Nathan Twining, 61, Chairman of the U.S. Joint Chiefs of Staff, was found to be suffering from lung cancer during an exploratory operation earlier this week, the Defense Department announced on Thursday.

It said that the entire portion of the left lung in which cancer had been found had been removed during the operation at Walter Reed Army Hospital here on Tuesday and there was no evidence of involvement in other areas of the chest. The Department said General Twining should be able to leave hospital in about three or four weeks and return to duty about a fortnight later.

After Midnight

Retiring Israeli Ambassador Abba Eban was Thursday night to become the fourth man in modern history to receive the Freedom of the City of New York.

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Only Pakistan Opposes Israel Entry to GATT

GENEVA (Reuters). — Israel on Thursday made her formal request for accession to the 39-nation General Agreement on Tariffs and Trade (GATT).

The application was almost unanimously welcomed by the delegates to GATT's 14th session. The sole exception was Pakistan, whose delegate, Mr. M.U. Ahmad, Deputy-Secretary of the Ministry of Commerce and Industry, opposed Israel's candidature.

The delegate of Indonesia was the only other country not to support Israel's application. He said he had been instructed to say that his Government reserved its position.

Some 25 of the other delegates present, including Britain and the Commonwealth countries, the U.S., France, and most of the European countries, the Scandinavian nations and Ghana, all welcomed Israel's application. Dr. Fernando Garcia-Oliver, the GATT chairman, expressed his pleasure that the application had been made on the 11th anniversary of Israel's independence.

The next step will probably be the appointment of a working party to examine Israel's application. It is expected to propose provisional membership pending the new round of world tariff negotiations planned for 1960 and 1961.

Liberalising Trade

Mr. Moshe Barz, Assistant Director-General of the Israel Foreign Ministry, put forward Israel's formal request to the GATT session, saying:

"Realizing the vital importance of free and expanding world trade, Israel — in spite of the special conditions governing by necessity its economic policy — has adopted in recent years measures designed gradually to liberalise and multilateralise its foreign trade and is determined to continue in this direction in conformity with the principles of the GATT."

A GATT spokesman said later that Mr. Barz declared that he had been instructed by his Government to express Israel's request for admission. If the request was eventually approved, he said, the Pakistan Government intended applying Article 35 of GATT's constitution under which a country can withdraw most-favored-nation treatment in its trade with another country.

West Europe Rejects Supra-Nationality

STRASBOURG (Reuters). — The European Coal and Steel Community's Ministers' Council on Thursday rejected the "take it or leave it" plan drawn up by the Community's High Authority to solve Western Europe's coal surplus crisis.

France, West Germany and Italy voted against the plan, but the Benelux countries — Belgium, Holland and Luxembourg — voted for it. The vote was not on the technical details of the plan, but on the High Authority's insistence on declaring a "state of manifest crisis."

The underlying issue was for or against the principles of "European" nationality on which the Community is theoretically built.

France and West Germany have consistently refused to agree to the surrender of part of their sovereign rights, which the declaration of the state of crisis would have involved.

West Offers German Unity Plan In Effort to Meet Russian Views

USSR Sees Basis for A-Test Ban Proposes Cut in Forces

GENEVA (Reuters). — Soviet Foreign Minister Andrei Gromyko told his Western colleagues at Thursday morning's nuclear talks that, in the Soviet view, a basis had already been reached "for achieving an agreement to end nuclear weapons tests for all time."

Earlier in the day, diplomatic sources said "useful progress" had been made in the 75-minute meeting among the foreign ministers of Russia, Britain and the U.S. — the first time the ministers had discussed the possible lower-level talks on the subject last October.

Observers said the main result of Thursday's meeting was that Britain and the U.S. appeared to have gone some way towards persuading Russia of the need to hold further scientific discussions before a treaty banning tests could be fully drafted.

The Russians have up till now refused to hold further experts' discussions in addition to the scientists' conference of last summer.

Iraq Leaving 'Ike Doctrine'

BAGHDAD (Reuters). — Prime Minister Kassem said Thursday night that Iraq would withdraw from the Eisenhower Doctrine this week and rely on her own strength to resist aggression.

The Premier also said: "While I work to strengthen friendship with the Communist countries, we are at the same time friends with all Western countries which desire our friendship."

Senators Balk At Ike's Nominations

WASHINGTON (UPI). — Acting Senate Democratic Leader Mike Mansfield, of Montana, on Thursday said a Senate vote on the nomination of Undersecretary of State C. Douglas Dillon probably would be delayed until next week.

Mr. Dillon was approved by the Foreign Relations Committee late Wednesday by a vote of 12 to 1 and his backers had hoped the Senate would complete action on Thursday.

Sen. Russell B. Long (Democrat-Louisiana), who cast the lone committee vote against Mr. Dillon, served notice he would take a day or two to air his views about the handling of foreign aid and Mr. Dillon's role in it.

The President told his new conference on Wednesday it was "rather baffling" to see his appointees running into such trouble in the Senate. His statement embracing the fight over confirmation of Commerce Secretary Lewis L. Strauss and the unfolding battle over the nomination of Mr. Ogden R. Reid as Ambassador to Israel.

Sen. Clinton P. Anderson (Democrat-New Mexico) was scheduled to renew his attack on the Strauss appointment before the Senate Commerce Committee on Thursday.

Moscow Says West Sabotaging Talks

LONDON (Reuters). — Moscow Radio on Thursday described the Western "package plan" on Germany as aimed at making the work of the Geneva conference "more difficult."

Commenting in a Greek language broadcast on the statement by American Secretary of State Christian Herter that the question of a German peace treaty was inseparable from the questions of German reunification and European security, the radio said:

"Thus, an attempt was made at today's meeting to propose to the conference a whole number of various political questions. This aims at making the work of the ministers more difficult and drowning in a plethora of outstanding international questions the main problem, the question of the peace treaty with Germany and the examination of the Occupation Statute in West Berlin."

Arms to Be Stored

Under Phase Two, the four powers would limit the overall strength of their forces with the U.S. and Russia cutting their forces to 2,500,000 each. Certain armaments would be placed in storage depots. Measures would also be taken against surprise attacks.

West Germany's 1954 renunciation of nuclear, chemical and biological weapons would be extended to all Germany and East European countries.

Phase Three — Elections for an all-German assembly to be held on the basis of the electoral law within 2 1/2 years of the plebiscite. Germans plus UN or four-power personnel would supervise the elections which would return an all-German assembly to draft a constitution for a united Germany.

This Assembly would choose the Central Elections Commission, as well as the Local Commissions have completed all the necessary arrangements whereby the voters will be able to fulfil their duty — for we are confident that every worker in Israel will vote according to his convictions and the dictates of his conscience.

We all share the desire for a strong and united Federation of Labour representing in word and deed all sections of the Labour Movement in Israel.

Mass participation of members at the polls will accord the Histadrut in the coming years the full right to speak in their name and the power to act according to their dictate. Thus active and aware participation in these Elections is everyone's duty, both as worker and citizen.

YOU MUST VOTE!

Let no one stay away! Let no member evade his responsibilities! Let all the workers go to the polls, and carefully observe the rules, show restraint and calm — for this will prove the stature of the Histadrut.

Let every worker in Israel realize that his vote will help to determine the fate of his own organization in the years to come, and also that of the State itself. If you neglect to exercise your vote you are harming the Histadrut. Let everyone vote as he wishes and sees fit.

For this Election Day

is the test of the maturity and responsibility of this country's Labour Movement.

ALL OF US — TO THE POLLS!

Pinhas Lavon
Secretary-General of the HISTADRAUT

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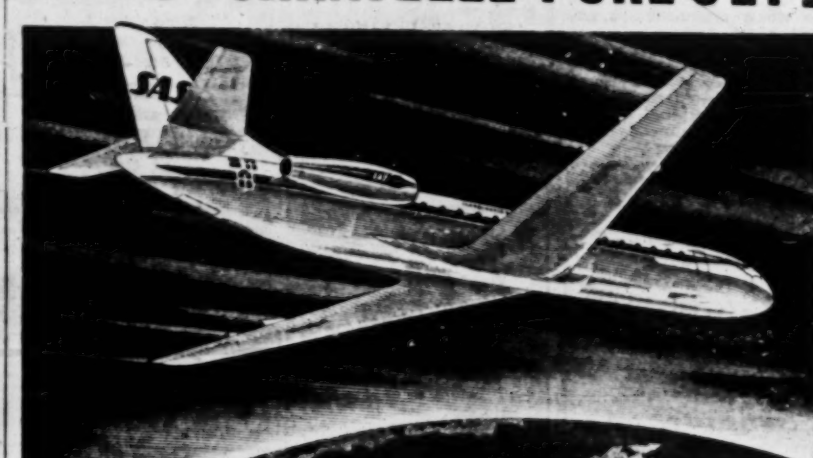
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Social & Personal

Adenauer Calls Meeting To Expedite Restitution Payments

Chancellor Adenauer called a meeting for next month of the heads of all the West German states and their Finance Ministers to discuss expediting the payment of restitution to private individuals.

Dr. Nahum Goldmann, President of the World Jewish Congress, is expected to be one of the subjects on the agenda of the W.J.C. Assembly in Stockholm in August. Dr. Goldmann said that he himself will attend in his capacity as President of the Jewish Material Claims Conference.

Dr. Goldmann said that the meeting was being convened at his request.

As Chairman of the Jewish Agency Executive, Dr. Goldmann warned that the Agency will shortly have to decide in principle on cutting down its absorption activities such as its participation in the settlement of refugees, in order to keep within its budget.

The question was raised at the meeting of the Zionist General Council opening May 11, and a decision will have to be taken next year, he said.

Dr. Goldmann added that the Agency's credit rating was good, and loans were available for as much as was wanted.

Zionist Converts

The ubiquitous Zionist leader went on to disclose that one of the largest Jewish non-Zionist organizations in the U.S. was considering joining the World Zionist Organization.

The organization, which he declined to name, is understood to be of a religious nature.

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MILLIE AS ANNE
Star of 'Anne Frank' Film Arriving Tuesday

Millie Perkins, the star of the 20th Century Fox film 'Anne Frank', will arrive in Israel for a three-day visit on Tuesday.

The 20-year-old model from Pasadena, New Jersey, comes from a large Irish family; her father is a merchant marine captain.

She bears a striking resemblance to the original Anne Frank. Miss Perkins was never interested in acting and was enjoying a very successful career as a model when she was one day spotted in a restaurant by a 20th Century Fox agent.

A total of 10,000 candidates from 25 countries were tested for the role.

During her brief stay in Israel, she will visit the Anne Frank House, at Ne'urim, meet several of the Israeli actresses who have played the role of Anne Frank both in Israel and abroad.

She will be accompanied on this trip by Miss Gertrude Brooks of the Public Relations Division of 20th Century Fox.

Job Finished, Jordan Sends Painter Home

An Israeli house-painter who crossed the lines into Jordan a fortnight ago was released and returned to Israel on Tuesday after he had painted the Jordanian city lock-up (the Kishle).

The painter, Shlomo Turjuman, told police that he had wandered across the border from his house in the Shani Quarter of Jerusalem. He was picked up by a Jordanian patrol and was put to work painting the jail as soon as his captors learned that he was a house-painter.

Talbieh Rose Bed J'm Beauty Spot

Fifteen hundred rose bushes — blossoms in dozens of different delicate shades ranging from white to yellow to dark red — are now in bloom in the Rose Garden in Talbieh in Jerusalem. About 25 varieties can be seen.

The seven-dunum Rose Garden, which was established about 20 years ago, is locked every evening. This, plus the watchful eye of two full-time gardeners, assures that the roses are not plucked by the visitors, who average 60-100 on weekdays and rise to several hundred on Saturdays.

Two years ago an additional 500 rose bushes were added, and these flowers are now being started in bloom during seven months of the year.

Mr. Nassim Gabai, acting head of the Municipality's Gardening division, is in charge of the park.

Greek Minister Wants Better Trade Relations

Jerusalem Post Reporter

The strengthening of trade relations between Greece and Israel was urged by the Greek Minister of Commerce, Mr. Leonidas Dertilis, in an introductory article to 'Hellas and Israel', a new monthly journal published in Athens by the Hellenic Publishing Company.

In the same issue, the Greek Minister of Agriculture, Mr. K. Adamopoulos, points to Israel as an example for the young youth who deprecate agricultural work.

"Seven of Israel's 15 million are engaged in agriculture, two have their sons in kibbutzim," says the article.

A new modern clinic was opened on Sunday by Kipat Holim in the Southern Shikun of Ashdod. It will serve 12,000 persons with four general practitioners, a pediatrician, a pharmacy and a laboratory.

World MD's to Meet Here in 1962

HATIFA — The World Medical Association, which has been in session this month in Sydney, Australia, has decided to hold its meeting in 1962 in Israel, according to a letter received by the local Medical Association from the world organization's Secretary for Asia.

Fossil — A workman found bones believed to be those of a 150,000-year-old ox 20 feet down on the site of a store badly damaged by fire near London.

Gov't Hospitals to Take All Emergency Cases

All Government and Government-supported hospitals have been instructed by the Ministry of Health to admit all emergency cases — including victims of road accidents and industrial accidents, without checking the place of residence of the patient or whether he belongs to a Sick Fund.

The hospitals will accept such patients immediately. Only later will they request payment from the Sick Fund, if the patient belongs to one, from the National Insurance Institute in cases of industrial accidents, and from insurance companies where road accidents are involved.

Where none of these agencies is liable and the patient is unable to pay the charges, the hospitals will continue to receive payment from the Ministry of Health.

Preference Urged For Public Summer Camps

Jerusalem Post Reporter

Local authorities should give preference to public summer camps for Jewish children over privately run camps in making available public premises, a committee set up last summer to investigate private summer camps has suggested in a report to the Ministry of Education and the League of Jewish Communities.

The committee deplored the fact that several local authorities had rented school buildings to private camps and thereby neglected local public camps. It recommended that local authorities should rent premises only to those private camps which accept Ministry of Education supervision, and even then only on condition that the premises are not needed by the local public camp.

The committee was comprised of representatives of the Ministry of Health, Education and Welfare, and of the Teachers Association, the League of Local Authorities, and the National Parents Committee.

MD's Take Issue With Tax Officials

HATIFA — Is a physician obliged to reveal the names of his patients to the income tax authorities? This question has occupied the attention of the medical leaders in Jerusalem, who believe that the demand for doctors to supply a list of patients in an annex to their income tax declaration, comes in conflict with their ethical obligations of professional secrecy.

The Association has asked the Attorney-General to express an opinion on the problem.

In a statement to the press, the Medical Association has expressed the fear that if patients learn that their doctors are disclosing their names to the authorities, their confidence in their physicians may be shaken.

At the same time the Association urged doctors to be stricter in safeguarding medical secrets, whether in connection with the disclosure of names of persons other than physicians, or in written communications, such as insurance contracts, or in the condition of their patients.

Judge Fisher Chair

A chair in memory of the late Judge Harry M. Fisher, an outstanding U.S. jurist who was instrumental in securing important reforms in the law of the State of Illinois, is to be established in the Hebrew University's Law Faculty by Friends of the University of Chicago.

In order to raise \$100,000 for the chair a committee was recently formed by Mr. Nathan H. Schwarz, Chicago lawyer and member of the Friends of the Hebrew University and a National Vice-President of the organization, and Messrs. Joshua G. Glaser, Chicago lawyer, and Samuel N. Katz, Colonel Jacob M. Arvey and Mr. Harold L. Rosenberg are Co-Chairmen, while the Mayor of Chicago, Mr. Richard Daley, and Mrs. Harry M. Fisher are Honorary Co-Chairmen.

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The violinist RUGGIERO RICCI represented in Israel.

Impresario B. Gillon Wednesday, May 27, at 9.15 p.m.

at the Arnon Hall Tickets obtainable at Ginsburg-Yuval, 25 Rehov Herzl, Haifa.

Ein Hashofet May 31, Natanya June 2

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Tonight: Haywood, Kiryat Haifa.

Tonorrow, May 16: Mograbi, Tel Aviv.

Monday, May 18: Mograbi, Tel Aviv.

Tuesday, May 19: Mograbi, Tel Aviv.

Wednesday, May 20: Edison, Jerusalem.

Thursday, May 21: Rama, Ramat Gan.

Friday, May 22: Oran, Haifa.

Saturday, May 23: Kresom, Ramat Gan.

Soccer Season Ends Tomorrow

By KEITH REEHER

The 1958-9 local soccer season will end tomorrow, and only a very big upset can change the top and bottom positions which have remained static during the past few weeks.

Two points separate the National League leaders, Petah Tikva Hapoel, from Haifa Hapoel, but the former have a 48:15 goal average as compared to the latter's 46:18.

Petah Tikva are engaged in a local "derby" against their Maccabi townmates and should collect at least the one point necessary to clinch the championship. Meanwhile the challengers will be playing in Jaffa against the local Maccabi side, and might find getting both points a little beyond them.

The other games are of purely academic interest, but fans in the Capital can watch their Hapoel team in action against Natanya Maccabi.

Tel Avivians can see those old rivals, Maccabi and Hapoel, fight out the usual "needle" game, and Betar facing relegation candidates Kfar Saba Hapoel. Haifa supporters can watch their Maccabi men out against Ramat Gan Hapoel, a side which did very well this season despite their final position in the relegation table.

League A champions Be'er Yehuda, with a big five point lead, should collect two more in their home encounter with Tel Aviv Hapoel, while Be'er Yehuda's 28-22 Kfar Saba Hapoel will be favorites to collect at least one point and in case of a draw, a win.

Jerusalem Beita, who have pushed up the table to fourth spot, also have 25 points and play tomorrow against Be'er Yehuda. They might pull off a win, their 33:33 goal average is even lower than Haifa's, so their chance

of finishing second, whilst still possible on paper, is very much an outside chance.

Religious Services

Shabbat begins Jerusalem: 5.30 Tel Aviv: 6.45 Haifa: 6.45

tonight and ends Jerusalem: 7.00 Tel Aviv: 7.57 Haifa: 7.12

tomorrow: 5.30 Tel Aviv: 6.45 Haifa: 6.45

Posters: Yehoshua 44, 15-16.

JERUSALEM

Yeshurun Synagogue: Tonight: 7.00 p.m. Tomorrow: 7.00 p.m.

Mincha, 6.00 p.m. Arvit, 6.30 p.m. Tomorrow: Shabbat, 6.00 a.m. Mincha, 6.00 p.m. Arvit, 7.00 p.m.

Special Shabbat: Tonight: 6.30 p.m. Tomorrow: 6.00 a.m.

Enoch V'Yehonah (Gan Rehavia): Tonight, 6.30 p.m. Tomorrow: Shabbat, 6.15 a.m.

Haifa Synagogue (Hill St.): Tonight, 6.15 p.m. Tomorrow: Shabbat, 6.00 a.m.

Meir Zion Synagogue: Shabbat, 6.15 p.m. Tomorrow: Shabbat, 6.00 a.m.

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Visitors' Gallery: THELMA RUBY

Actress Finds Surprises in Israel

THELMA, fair-haired Thelma Ruby, who in the last few years has firmly established herself as one of Britain's leading comedienne, is taking a month's holiday from her stage to visit Israel.

Miss Ruby, the sister of Geoffrey Wigoder, the Director of Kol Yisrael's Transmission Service, was born in Leeds. Her father, a dental surgeon, is a magistrate there. Both her grandmother and mother were on the stage—her mother's first name is Ruby and she adopted this as her own professional name.

During the war Thelma Ruby was evacuated to America. After completing her schooling in New York, she went to the University of Wisconsin where she graduated with honours in theatrical arts. Before returning to England after the end of the war she spent a short period studying drama at Yale University.

In 10 years on the British stage Miss Ruby has "appeared in everything except the circus." Her career has included straight acting in provincial repertory and the West End of London, appearances in pantomimes, variety, revue, musical comedy and cabaret, and radio, television and film work.

Her talents as a comedienne first became apparent in 1953, when she accepted an invitation to appear in a revue with "The Under the Group" at Leatherhead, one of Outer London's many "little theatres." She had just been appearing as Prince Charming, the principal boy in the pantomime "Cinderella," which had toured the north of England during the Christmas season. In these British pantomimes the hero is traditionally played by a tall girl who struts about the stage in tights and is known as the "principal boy." When Thelma Ruby was asked to supply some of her own material for the Leatherhead revue, she recalled her experiences in "Cinderella" and hit on the idea of a number based on the efforts of an ex-principal boy to prevent herself from striding about and slapping her thighs in succeeding shows. This number was a great success and led to bigger parts in West End revues.

Her first starring role was in 1955, as a much-married, wealthy woman of amorous tendencies in "The Buccaneer," a musical comedy at the Apollo Theatre by Sandy



THELMA RUBY

Wilson, author of "The Boy Friend." The press gave her rave notices. This was followed by a leading part in "For Amusement Only," an intimate review at the same theatre which ran for 600 performances, with Miss Ruby never missing a show—indeed the charming, 29-year-old star has the unusual distinction of so far never having missed a performance in her whole career.

Since the closing of "For Amusement Only" a year ago, Miss Ruby has been concentrating more on television work, and she scored one of her biggest successes to date when she burlesqued various types of sopranos in one of the popular "Charlies at Nine" Independent Television series. She also made a return to the legitimate theatre in "The Hamlet of Stephen Green," ex-barrow boy Bernard Kops' controversial play at the Lyric, Hammersmith, about a Jewish family in the East End of London. Her most recent appearances were as the Queen in "The Sleeping Beauty," a pantomime at the Lyric, Hammersmith Theatre, and in a short season of cabaret at the Royal Court Theatre.

Today in Britain there is only a handful of young, top-class comedienne to follow in the footsteps of Beatrice Lillie, Joyce Grenfell, and "the two Hermiones"—Ginny and Raddley; indeed there is a similar dearth of female comic elsewhere in the world. There are several reasons for this, explains Thelma Ruby. First of all women are not basically funny and it is extremely difficult for them to retain their essential femininity and still be effective comediennes. Also, it is not considered "nice" for women to tell the funny stories which are the stock-in-trade of the male comedian. Miss Ruby tries to overcome these difficulties "by substituting types for the creation of one funny lady, and thus leaving a series of impressions in the minds of the audience."

Visits to her family in Jerusalem and Haifa, sightseeing and meetings with theatre people here, are taking up most of her first visit to Israel. However, she has already made two appearances at the Tadmor Hotel's Topaz Club, and yesterday she gave a performance in Tel Aviv under the auspices of the Israel and British Commonwealth Association. Also scheduled is an appearance tonight (Friday), at the gala opening of the Dolphin House's new entertainment season, and Miss Ruby may also perform in "Noah's Ark" before returning to England in mid-May to star in a new weekly B.B.C. Television series.

Israel, she says, is full of surprises. One is the sight of so many really smart women—"I had always heard that everyone here went around in the country much larger than expected after seeing it 'as just a small speck on a map of the world.'"

JACK LEON



Crown Princess Michiko, holding an umbrella against an April shower, says goodbye to her parents at the door of their Tokyo home. Never in the 1,000-year history of the Japanese Royal Family had an Emperor's bride visited her family after her marriage—not even when they were dying—until Crown Prince Akihito's wife Michiko Shoda, already the first commoner to marry into the Imperial Family, broke the tradition by visiting her former home in the Tokyo suburb of Gotanda a few days ago. It is rumoured that Akihito himself will be visiting his in-laws—thus smashing another tradition.

Express Photo

The Host As Successful Cook

By Molly Bar-David

THIS article is for men only because if the good wife reads it she may decide to hand over the ladle to her husband. I had a lift to town the other day and the man at the wheel discussed Cheese Fondue, which is his favourite midnight-supper concoction. He throws it together in a chafing dish and makes quite an impression on guests. Then the other evening—after a show—we went home with a theatre director who made us a supper of the most wonderful this-and-that, to which we added his homemade mustard, spiced and made tantalizing with tarragon and a thousand other elusive flavours. There's no doubt about it—the best chefs in the world are men, and welcome to the day when they agree to do more than mix the drinks and serve the duck. Anyway, here are a few dishes which I suggest every gourmet wife also try out—if need be, in secret!

So bring out the wine bottles and your array of spices and herbs, and begin on the cookery campaign.

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Baked Fish

First sprinkle some flour in the buttered pan so the fish won't stick. Place the fish (any kind) in the pan, together with finely chopped onions and parsley, and a generous blob of butter on top. Bake for 20 minutes, and a few minutes before the fish is done, pour a glass of dry white wine and the juice of half a lemon over it.

Carp in Dark Beer

1½ kilos carp, 1 tbsp. vinegar, 2 large onions, chopped, 4 tbsps. butter, 2 tbsps. flour, 2 tbsps. brown sugar, 5 sweet peppers, 2 ground cloves, 1 tsp. soup seasoning, 2 cups black beer.
Cut cleaned fish into serving pieces. Brown onion in butter, and flour and cook a couple of minutes. Add beer and all other ingredients except the vinegar. Boil this sauce to thickness of thin cream and put fish slices into it and simmer until fish is done. Finally add vinegar and continue boiling for another two minutes. Pour sauce through strainer and

Chicken Curry

This recipe—written by a man for men only—calls for half a chicken per portion.
Chop and fry four small onions, three tomatoes, two large apples (at the price of apples in Israel I suggest you use large onions and two small apples). Add three tablespoons of raisins and place mixture in large pot. Add six cups of chicken soup (if you make them of the soup powders the results are fine and so easy) and simmer two hours.

Ripe Fruit—Pure Sugar—Strawberry Confiture—Cherry Confiture

Bananas à la Peto
This is one of many spiked desserts popular with men. Slice bananas lengthwise and cook for a minute or two in butter. Then sprinkle with sugar and kirsch or brandy, light, and let burner a minute (at the table, if you wish, to get the aroma).

What—Daddy too?

Sure, it's so easy that even father and son can do it without help—Delicious OSEM homemade Ice Cream—a treat for the whole family.

Lighter Cooking—Better Eating...

Under this title (or slogan) Vita will publish a series of Summer Menus prepared for you by food columnist Molly Lyons Bar-David. Lighter Cooking does not imply that the dishes you serve in summer are satisfying and sustaining without being heavy or fattening. Lighter Cooking means as well, that with the help of Vita Soups, you can prepare interesting new dishes in less time, without much work involved and easy on your budget.

All menus have been tested in the Vita Trial Kitchen and are based on the latest principles of modern nutrition. We wish you success and bon appetit. Try this "Vitality" Lunch:

EASY-QUICK MENU No. 1

Tuna Fish Loaf and Salad
Chilled Fruit Soup in Glasses
Chocolate Chip Ice Cream on Cake.
Here's How:

TUNA FISH LOAF

200 grams Tuna or other fish, 1 cup bread crumbs, 1 cup milk or water, 1 pkg. Vita Mushroom Soup, 1 egg, 1 tsp. Vitam, 1 onion, 2 tbsps. oil, 1 tsp. salt, 1 tsp. pepper. Mince or finely chop fish and onion. Make a paste of Vita Mushroom Soup powder and milk. Mix in other ingredients. Bake in greased pan or wonder pot until firm and golden brown. Serve with any salad.

Pro-Israel

Their knowledge of Israel was comparatively poor. Given a possible hundred points, they scored 68 on America, 42 on other parts of the world; and only 31 points on Israel. Questions included neighbours (of Wyoming, Italy, and Israel), leading personalities (Chief U.N. Delegate of the U.S., Britain, and Israel), exports (Japan, the U.S., and Israel) and history (leader of India's independence movement, signer of Declaration of Independence, father of modern politics, Zionism). Those members who spoke Hebrew, were writing to someone in Israel, or had a good Jewish education, knew more about Israel than their colleagues, but whether these activities developed due to an interest in Israel or vice-versa was not tested.

Cabbage Salad

Naturally any man worth his salad salt will know that you must either rub a salad bowl with garlic, or else rub bread crusts or toast with garlic and put these into the salad. After that start he will proceed to combine: 1 medium cabbage, shredded with a brown knife, 1 green pepper, shredded, 2 tbsps. celery seed, 1 tsp. salt, 1 tsp. minced onion, 1 cup mayonnaise, ½ cup beer, ½ tsp. pepper.
Toss together thoroughly. Chill and serve.

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American Youth Know Little About Israel—But They Love It

By David Macarov

WHILE in his early days, the American Jewish teenager? A rock-and-roll addict who couldn't care less about his Jewishness, or an earnest young intellectual rediscovering his religion? No one can really say, for there are over a million American Jews between 12 and 25, and evidence to support any theory, no matter how bizarre, can be found among that vast number. However, some light has recently been shed on one aspect of American Jewish youth by a survey conducted among members of Enai Brith Youth Organizations.

Sponsored in part by the American Zionist Council, the purpose of the research was to find out what Enai Brith Youth members knew about Israel, and how they felt about it. 1,340 youngsters, or roughly 10 per cent of BBYO's membership in selected large, medium, and small cities, responded to the questionnaire, some of which were 12 pages long and all of which were administered by trained professionals.

Results showed that BBYOers, 65 per cent of whom live in large cities like most American Jews, had had at least some Jewish education (90 per cent), which tended to be afternoon Hebrew school for boys and Sunday School for girls. Most of them said that they had enjoyed those although the fact that staff members of BBYO, which stresses religion, administered the test, may have conditioned some of these answers. Almost all of the members expressed a religious preference, the bulk (58 per cent) saying Conservative, 23 per cent Reform and 12 per cent Orthodox. Only four per cent were willing to designate themselves as non-religious. Almost 70 per cent of their parents were born in America, and 4½ per cent said that parents were either managers, professionals, or owned their own businesses.

Their knowledge of Israel was comparatively poor. Given a possible hundred points, they scored 68 on America, 42 on other parts of the world; and only 31 points on Israel. Questions included neighbours (of Wyoming, Italy, and Israel), leading personalities (Chief U.N. Delegate of the U.S., Britain, and Israel), exports (Japan, the U.S., and Israel) and history (leader of India's independence movement, signer of Declaration of Independence, father of modern politics, Zionism). Those members who spoke Hebrew, were writing to someone in Israel, or had a good Jewish education, knew more about Israel than their colleagues, but whether these activities developed due to an interest in Israel or vice-versa was not tested.

That fact has little relationship to feelings was amply borne out in that part of the survey which probed attitudes towards Israel. Despite their poor showing in the knowledge test, 86 per cent of the members tested thought that Israel was either "the most wonderful event in 1,000 years of Jewish history," or "one of the most helpful developments of the post-war years." Fourteen per cent thought that more time was necessary to make a judgment, and only four of the 1,340 respondents thought that the creation of Israel "was a mistake." In a similar survey, asked how they would feel if Israel were wiped out, 84 per cent expressed great distress, some of the written-in answers being "I don't want to think of it—it's impossible," "It would be the worst calamity," "I would devote the rest of my life to rebuilding it." Only nine answers indicated satisfaction, as Israel's imagined demise, and there is reason to believe that some

of them may have misread the rather involved wording of the query.

Questions concerning concepts, a majority felt that "American Jews and Israel Jews are part of one people" (78 per cent) and that "What happens to one affects the other" (81 per cent). They thought it important that American and Israel Jews "share the same religious heritage" (72 per cent), "celebrate the same Jewish holidays" (58 per cent), and "share the same democratic outlook" (58 per cent). They believed that "all Jews belong to one people" (65 per cent), although only 37 per cent believed that the fate of all Jews was linked, and only five per cent believed that anti-Semitism was inevitable everywhere and that Jews could be completely safe from it only in Israel. An insignificant number, two per cent, believed that eventually all Jews would move to Israel, and only six per cent believed that only in Israel could a person lead a completely Jewish life.

But Not Zionists

Do these sentiments make BBYO members Zionists? They think not. Asked to check items which they felt marked a Zionist, and then to indicate which items they personally accepted, they assigned to Zionists and accepted for themselves the image of one who wants Is-

rael to grow and prosper, contributes money to, does his best for, and has some interest in Israel, believes that whatever happens in Israel will affect Jews everywhere, and believes that all Jews belong to one people. However, when asked if they considered themselves Zionists, only 29 per cent said yes. Thus, although they do and believe most of the things which they think are essential to a Zionist, these young Americans shy away from applying the term to themselves.

Representative Sample

Of course, Enai Brith Youth members are not all of American Jewish youth, less than one-third of whom belong to any national Jewish organization, and attitudes of young people organized under Jewish auspices may be expected to be more pro-Israel than those of their unorganized peers. However, observation of American Jewish youth in a number of settings, and other surveys, seem to bear out the research findings that they think Israel "is a good thing," not too close to them personally and certainly not affecting their daily life or beliefs, but nevertheless something about which to feel possessive and proud. In short, young American Jews seem to know very little about Israel—but they love it just the same.

Economy Fare In The Air Finished

Jerusalem Post Reporter

"Economy class" passengers over the Atlantic are today spared the "underdog" feeling they had during the past year. As from April 1, the "sandwich era" was finished for them. They now get proper meals, although the meat they are served is cold. IATA regulations, which allowed the sandwiches to go, still insist on drawing a distinction between first-class passengers, "tourists" and "economy" passengers, so as to justify a substantial difference in rates.

The "economy" class was introduced a year ago in order to induce travellers to fly by air rather than by ship, for a roughly comparable fare. Some of the luxuries of air travel were denied to such passengers, including the right to purchase cigarettes and other articles duty-free. The passengers, who appreciated the fare reduction, were nevertheless very cold to the IATA austerity measures, and the economy class idea was a flop.

No More Sandwiches

The first company to announce here that the "sandwich era" was over was K.L.M. The K.L.M. chefs, it was announced, had devised a menu comprising several kinds of meat or chicken at lunch, salads are served at breakfast, lunch and dinner. Fruit juice is added to the beverages already available. Cigarettes are sold to economy class passengers, and reading matter, which the airlines have always supplied, is now provided for them as well.

El Al too has announced

that cold plates, comprising several kinds of kosher meat, are now served at lunch in the economy class on its Britannia. The airline also provides fruit as dessert. Coffee and tea are served to all classes.

Eliminating hot food saves the airline a substantial

amount of money with the speeding of passages, now that traditional methods of warming meals do not keep up with the time-tables. In Europe, in particular, an aircraft stops every two or three hours, which hardly gives the stewards time to warm up the meals and serve them. The "economy" sandwich device was intended to test the possibility of eliminating hot food altogether. It proved a failure, but other solutions are being tried.

Short-wave Oven

SAS announced recently that its answer to the problem was the introduction of an electronic oven on its Caravelle jets. The oven's ultra-short waves pass through the porcelain or metal dish without affecting it, but when they reach foodstuffs, they set the molecules vibrating, creating heat. The electronic oven heats a serving in 20 seconds, and the company's newer ovens will be able to heat the food for the 70 passengers aboard a plane in 20 minutes.

Other new methods to beat the time limit include infrared cooking, food conservation by bacteria-killing radiation, and steam-pressure coffee makers which turn out 20 cups in three minutes.

What's Cooking?

By SHOSH

Oh, if only I knew how to dance, I too could have danced all night at the diplomats' ball, excuse me, because of the overflow of diplomats it slipped my mind: it was the "Magen David Adom" Ball at the "Accadia." Well, where else but at the Accadia do diplomats sell whiskey and champagne instead of the waters? I think I was the only person who did not attend: the ball, except for the Queen of Ethiopia: not because there wasn't a red carpet (they could have dug one up from any of the rooms) but because she left the country the night before... I swear you can make a delicious tomato soup cake from... tomato soup! To do this, though, you need a very special kind of tomato soup—"Vita's." I myself tasted it at the journalists' party at the Dan Hotel. Lots of newspaper-women simply—I hardly dare say it—but they did lick the Vita vanilla ice cream that was served at the party right off their fingers. Who wants to win a package of Vita products worth three pounds? It's very easy: during the next seven days write to: "Shosh," P.O.B. 1039, giving your answer to the very simple question: "WHEN A COUPLE RIDES A BUS, OR ANY OTHER VEHICLE—WHO GETS OUT FIRST: THE WOMAN OR THE MAN? WHY?" The first correct 25 replies will receive the prize. And finally: write me why you read my column and what you would especially like to hear about. (Add.)



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Lighter Cooking—Better Eating...

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Here's How:

TUNA FISH LOAF

200 grams Tuna or other fish, 1 cup bread crumbs, 1 cup milk or water, 1 pkg. Vita Mushroom Soup, 1 egg, 1 tsp. Vitam, 1 onion, 2 tbsps. oil, 1 tsp. salt, 1 tsp. pepper. Mince or finely chop fish and onion. Make a paste of Vita Mushroom Soup powder and milk. Mix in other ingredients. Bake in greased pan or wonder pot until firm and golden brown. Serve with any salad.

VITA

Use Vita Fruit Soup as a chilled beverage: with this dish. Add chips of chocolate to your Vita Chocolate Ice Cream Mix and serve it on left-over cake as an exciting dessert.

COOK BOOK

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Russia Has a Servant Problem

By Edward Crankshaw

LONDON (OFNS). — RUSSIA has a servant problem. Unless you have lived in the Soviet Union, it is hard to realize that, until lately, it has been easier to find good servants there than in most Western countries — provided you can afford them. A thousand times easier than in Britain or America. It still is; but the strain is beginning to tell.

Russians have never enjoyed doing things for themselves. If they can find somebody else to do them, and Soviet citizens of any standing are far less inhibited when it comes to keeping servants in their palaces and ordering them about, than all but the most spirited survival of Edwardian England. In no other country that I know of will an ordinary official, without turning a hair, keep his chauffeur waiting outside his door in 20 degrees of frost from early in the evening until deep in the small hours.

I am not thinking now only of the highly privileged New Class with their country and seaside villas, their private motor and their private trains of retainers. I am thinking rather of the better-off official or engineer or scientist who qualifies for a couple of rooms in Moscow and perhaps shares a dacha for the summer in the country outside. These people will have at least one full-time "help" — usually living out because of accommodation difficulties — to do the cleaning, some of the cooking, and all of the marketing (no wife of a successful Soviet husband would dream of doing her own marketing). Even those with only a single room for their own will often engage a help for half the day.

Until lately this system has worked with no trouble at all. There was a strong tradition of domestic service in Russia, which survived all the obstacles of the revolution. Further, when unskilled or semi-skilled factory wages were low and working conditions often very bad; when, moreover, there was nothing to buy in the shops, thousands of girls found it pleasant and easier to attach themselves to a better-off family. The same applied to older women, past heavy work, whose pensions used to be a pittance. Above all, conditions of life on most of the collective farms were until recently so appalling that there was an endless stream of women and girls flowing from the countryside into the towns.

Now all that is beginning to change and the Soviet Government is feeling at first hand some of the complications which crop up when living standards improve. On the one hand the demand for servants increases steeply; on the other hand the supply begins to dwindle. As in other lands, the young town girls now prefer to work in factories and shops, where conditions are much better. At the same time Khrushchev's reforms are beginning to make life on the farms a great deal easier. On top of all this, the elderly are now better looked after by the State; and the old generation of born servants is dying out.

And yet it is not as simple as all that. If it were one would say that the Soviet servant problem would solve itself in the natural and in-

evitable way; when there are no more servants the problem ceases to exist and would-be employers simply adapt themselves to the new facts of life.

But in the Soviet Union there are two distinct pressures working against this solution. The first and most immediate is that although young girls prefer to work in factories and shops there are at the moment, not enough jobs for them. The second and more permanent is that women generally, and particularly women with any talent, are officially encouraged to take full-time jobs. This is partly a matter of need, partly a matter of muddled principle. The Soviet Government cannot bear the thought of hundreds of thousands of young wives, whose education and training has been paid for by

the State, failing to make a proper return on the State's outlay. It says: "These young women, many of them with higher education or with high qualifications, have begun to resemble pensioners, with the important difference that they have abandoned society without having done anything for it."

The State finds it hard to tolerate the idea of young Soviet housewives doing nothing but stay at home and look after the children; but if these are to go out to work they need help in the home. The State is also formally committed against the principle of domestic service. The young girls prefer shops and factories; but there are not enough jobs for them yet. It will be interesting to see how this tangle sorts itself out.



Margaret Lorraine models a swimsuit for customers drying out in the Nichol Hair Styling Salon in London, a new gimmick to lighten the tedium of sitting in the dryers.



Get into the Habit!

DESPITE the occasional cool spell, it can be taken for granted that the hot summer months are right ahead, and it is time for us to get into the habit of looking after our households with this in mind. When the sun beats down, therefore, much greater attention must be paid to cleaning out garbage cans (indoors) and dustbins (outdoors); in order to avoid unpleasant odours and swarms of flies and mosquitoes, and to keep the home clean and fresh. Here, then, are our suggestions for these chores:

Indoor Garbage Pails: (1) Always see that your garbage pail is well-lined (particularly at the bottom) with a double layer of paper. Using two thicknesses of old newspaper, fold over about a third from the bottom, then shape the paper to fit the inside of the pail (i.e., into a tube shape). Place in the pail, folded section to the bottom, so that when pressed down, the folded part forms a solid thickness at the bottom.

If the paper sticks out over the top of the pail, fold it in, level with the rim. (2) Always wrap your garbage (vegetable peelings, greasy paper, crumbs, etc.) in paper before putting it in the pail. (3) Discarded tins should be completely emptied of their contents (and dry-stuff them with old newspaper) before being put in the pail. (4) Empty your garbage pail daily—preferably before going to bed, so that you are sure it will be taken away by the garbage collector early in the morning, and your kitchen will be fresh and neat when an invitation to the nearest ant colony. Clean and dry the pail regularly and thoroughly, and occasionally sprinkle with disinfectant.

Outdoor Dustbins: (1) Be sure that your outdoor dustbin is emptied daily—if not, do not hesitate to get in touch with the Municipality immediately—as dustbins that are not emptied regularly are a real danger to health during the summer months. (2) After the dustbin has been emptied, dry leaves or grass in it (watch it while it is burning, so that you don't start a fire). The bin can be covered during this process. This will keep the bin clean and dry. (3) When the paper, etc., has been burned out, sprinkle a little disinfectant into the dustbin. (4) See that the lid of the dustbin fits securely—and is kept on. If necessary, weight the lid with one or two bricks or heavy stones, to keep the cats and flies away.

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of fashionable Knitwear.

COOKING WITH SOUP

A LUNCHEON which began with a tomato dip and ended in a tomato soup, was launched by the Vita Company's "Soup for Summer Campaign" at the Dan Hotel this week. The Kooker, which looked like an ordinary fruit cake and is based on a New England recipe, climaxed the seven soup-favored courses.

Starting with a cheese bean soup and swinging into a mushroom soup, the menu also featured hot mushroom biscuits, fruit cocktail and ice cream — all products of the 18-year-old firm.

Mrs. Molly Bar David, food columnist, who had arranged the luncheon for the company, explained the versatility of soup in summer menus even though in Israel it was considered strictly winter fare. Soup, she pointed out, was ideal for summer when served in a cup, iced, or coffee, with a sandwich.

Mannequins To Moscow

PARIS. — SEVENTEEN beautiful Paris mannequins will accompany French fashion designer Yves Saint Laurent to the House of Dior, when he presents his collection of 180 dresses in Moscow next June.

General of Dior, has announced here after returning from Moscow.

Nabariya Resort Plan

By Hadassah Bai Haim

THIS year, Nabariya is making a serious bid to become the honeymoon town of Israel. Of the 600 couples who have signed their intention to be married on Lag be'Omer at least 500 are expected to start their wedded life here. All have received, through the Rabbinate, invitations from the Nabariya Local Council, and leaflet outlining the benefits they will get with its acceptance.

Firstly, if they spend four or seven days at any of the pensions which are taking them in, on any one day of their stay will not be charged for. Every couple will receive a wedding present from the town, and will in addition be able to take part in a lottery for valuable prizes, contributed by Pagas.

A radio programme conducted by Peter Frye, will be broadcast from the honeymoon town, with many of the couples taking part. There will even be a free excursion into the Golan by bus, taking the whole of one day.

Naturally the town is eager to have foreign tourists and to demonstrate to them that Israel is no less than a complete seaside holiday.

with all that this implies, but it wishes also not to neglect the resident holiday-maker who, as one hotel owner put it, is sometimes given the feeling of being a second-class citizen.

This plan was one of the many put forward by the live-wire publicity and tour agent newly employed by the Local Council to make the world "Nabariya-conscious."

PEN FRIENDS
MISS ELIZABETH FLEMING, 8 Gaze Road, Flat 3, West-Ryde, N.S.W., Australia, a 30-year-old chemist, seeks a pen friend in Israel.

OLIVIA HAINBACH, 18, of 31 Bracken Park, Dublin, wants a pen friend with whom to exchange stamps.

JOHN J. HAINBACH, 18, address: Voelmistr, Horni Krupa 37, U. S.S.R., who is an expert in raising bees, is eager to correspond with Israeli. He can write in Czech, English, Russian and Esperanto.

MAURICE RILEY, 19, address: Route One, Dorsey, Mississippi, U.S.A., is a college student who is a member of the International Relations and who also studies art, journalism and languages. He is interested in stamp collecting, writing poetry, free-lancing, sports and reading about Israel.

VILHJALMSSON, 12, of Sudurkirkja 33, Hafnar, Iceland, is a 17-year-old student of the Kaplunskjolevsk 37, Reykjavik, Iceland.

Chess

May 5, 1959
Problem No. 1236
Your Wizard, Bill Zora
Specially Composed for
The Jerusalem Post



K6: Q6, B2, P7, (4) K6: P6, R4, B2, P7, (4) K6: P6, R4, B2, P7, (4) K6: P6, R4, B2, P7, (4)

White mates in three (3)
National Team Championship
Game No. 784

White: K. Gatti
Black: M. Raich
Lasker-Reti, 2nd round
1.e4 e5 2.d4 Kf6 3.Kf3 c5 4.Kf3 b7 5.f3 c5 6.c4 d5 7.Bd3 Kf6 8.Rf3 B7 9.Q2 Kf6 10.Qd2 Qd5 11.0-0-0 Qd5 12.Kf3 b7 13.Q2 Qd5 14.Q2 Qd5 15.Q2 Qd5 16.Q2 Qd5 17.Q2 Qd5 18.Q2 Qd5 19.Q2 Qd5 20.Q2 Qd5 21.Q2 Qd5 22.Q2 Qd5 23.Q2 Qd5 24.Q2 Qd5 25.Q2 Qd5 26.Q2 Qd5 27.Q2 Qd5 28.Q2 Qd5 29.Q2 Qd5 30.Q2 Qd5 31.Q2 Qd5 32.Q2 Qd5 33.Q2 Qd5 34.Q2 Qd5 35.Q2 Qd5 36.Q2 Qd5 37.Q2 Qd5 38.Q2 Qd5 39.Q2 Qd5 40.Q2 Qd5 41.Q2 Qd5 42.Q2 Qd5 43.Q2 Qd5 44.Q2 Qd5 45.Q2 Qd5 46.Q2 Qd5 47.Q2 Qd5 48.Q2 Qd5 49.Q2 Qd5 50.Q2 Qd5 51.Q2 Qd5 52.Q2 Qd5 53.Q2 Qd5 54.Q2 Qd5 55.Q2 Qd5 56.Q2 Qd5 57.Q2 Qd5 58.Q2 Qd5 59.Q2 Qd5 60.Q2 Qd5 61.Q2 Qd5 62.Q2 Qd5 63.Q2 Qd5 64.Q2 Qd5 65.Q2 Qd5 66.Q2 Qd5 67.Q2 Qd5 68.Q2 Qd5 69.Q2 Qd5 70.Q2 Qd5 71.Q2 Qd5 72.Q2 Qd5 73.Q2 Qd5 74.Q2 Qd5 75.Q2 Qd5 76.Q2 Qd5 77.Q2 Qd5 78.Q2 Qd5 79.Q2 Qd5 80.Q2 Qd5 81.Q2 Qd5 82.Q2 Qd5 83.Q2 Qd5 84.Q2 Qd5 85.Q2 Qd5 86.Q2 Qd5 87.Q2 Qd5 88.Q2 Qd5 89.Q2 Qd5 90.Q2 Qd5 91.Q2 Qd5 92.Q2 Qd5 93.Q2 Qd5 94.Q2 Qd5 95.Q2 Qd5 96.Q2 Qd5 97.Q2 Qd5 98.Q2 Qd5 99.Q2 Qd5 100.Q2 Qd5

White: K. Gatti
Black: M. Raich
Lasker-Reti, 2nd round
1.e4 e5 2.d4 Kf6 3.Kf3 c5 4.Kf3 b7 5.f3 c5 6.c4 d5 7.Bd3 Kf6 8.Rf3 B7 9.Q2 Kf6 10.Qd2 Qd5 11.0-0-0 Qd5 12.Kf3 b7 13.Q2 Qd5 14.Q2 Qd5 15.Q2 Qd5 16.Q2 Qd5 17.Q2 Qd5 18.Q2 Qd5 19.Q2 Qd5 20.Q2 Qd5 21.Q2 Qd5 22.Q2 Qd5 23.Q2 Qd5 24.Q2 Qd5 25.Q2 Qd5 26.Q2 Qd5 27.Q2 Qd5 28.Q2 Qd5 29.Q2 Qd5 30.Q2 Qd5 31.Q2 Qd5 32.Q2 Qd5 33.Q2 Qd5 34.Q2 Qd5 35.Q2 Qd5 36.Q2 Qd5 37.Q2 Qd5 38.Q2 Qd5 39.Q2 Qd5 40.Q2 Qd5 41.Q2 Qd5 42.Q2 Qd5 43.Q2 Qd5 44.Q2 Qd5 45.Q2 Qd5 46.Q2 Qd5 47.Q2 Qd5 48.Q2 Qd5 49.Q2 Qd5 50.Q2 Qd5 51.Q2 Qd5 52.Q2 Qd5 53.Q2 Qd5 54.Q2 Qd5 55.Q2 Qd5 56.Q2 Qd5 57.Q2 Qd5 58.Q2 Qd5 59.Q2 Qd5 60.Q2 Qd5 61.Q2 Qd5 62.Q2 Qd5 63.Q2 Qd5 64.Q2 Qd5 65.Q2 Qd5 66.Q2 Qd5 67.Q2 Qd5 68.Q2 Qd5 69.Q2 Qd5 70.Q2 Qd5 71.Q2 Qd5 72.Q2 Qd5 73.Q2 Qd5 74.Q2 Qd5 75.Q2 Qd5 76.Q2 Qd5 77.Q2 Qd5 78.Q2 Qd5 79.Q2 Qd5 80.Q2 Qd5 81.Q2 Qd5 82.Q2 Qd5 83.Q2 Qd5 84.Q2 Qd5 85.Q2 Qd5 86.Q2 Qd5 87.Q2 Qd5 88.Q2 Qd5 89.Q2 Qd5 90.Q2 Qd5 91.Q2 Qd5 92.Q2 Qd5 93.Q2 Qd5 94.Q2 Qd5 95.Q2 Qd5 96.Q2 Qd5 97.Q2 Qd5 98.Q2 Qd5 99.Q2 Qd5 100.Q2 Qd5

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Black: M. Raich
Lasker-Reti, 2nd round
1.e4 e5 2.d4 Kf6 3.Kf3 c5 4.Kf3 b7 5.f3 c5 6.c4 d5 7.Bd3 Kf6 8.Rf3 B7 9.Q2 Kf6 10.Qd2 Qd5 11.0-0-0 Qd5 12.Kf3 b7 13.Q2 Qd5 14.Q2 Qd5 15.Q2 Qd5 16.Q2 Qd5 17.Q2 Qd5 18.Q2 Qd5 19.Q2 Qd5 20.Q2 Qd5 21.Q2 Qd5 22.Q2 Qd5 23.Q2 Qd5 24.Q2 Qd5 25.Q2 Qd5 26.Q2 Qd5 27.Q2 Qd5 28.Q2 Qd5 29.Q2 Qd5 30.Q2 Qd5 31.Q2 Qd5 32.Q2 Qd5 33.Q2 Qd5 34.Q2 Qd5 35.Q2 Qd5 36.Q2 Qd5 37.Q2 Qd5 38.Q2 Qd5 39.Q2 Qd5 40.Q2 Qd5 41.Q2 Qd5 42.Q2 Qd5 43.Q2 Qd5 44.Q2 Qd5 45.Q2 Qd5 46.Q2 Qd5 47.Q2 Qd5 48.Q2 Qd5 49.Q2 Qd5 50.Q2 Qd5 51.Q2 Qd5 52.Q2 Qd5 53.Q2 Qd5 54.Q2 Qd5 55.Q2 Qd5 56.Q2 Qd5 57.Q2 Qd5 58.Q2 Qd5 59.Q2 Qd5 60.Q2 Qd5 61.Q2 Qd5 62.Q2 Qd5 63.Q2 Qd5 64.Q2 Qd5 65.Q2 Qd5 66.Q2 Qd5 67.Q2 Qd5 68.Q2 Qd5 69.Q2 Qd5 70.Q2 Qd5 71.Q2 Qd5 72.Q2 Qd5 73.Q2 Qd5 74.Q2 Qd5 75.Q2 Qd5 76.Q2 Qd5 77.Q2 Qd5 78.Q2 Qd5 79.Q2 Qd5 80.Q2 Qd5 81.Q2 Qd5 82.Q2 Qd5 83.Q2 Qd5 84.Q2 Qd5 85.Q2 Qd5 86.Q2 Qd5 87.Q2 Qd5 88.Q2 Qd5 89.Q2 Qd5 90.Q2 Qd5 91.Q2 Qd5 92.Q2 Qd5 93.Q2 Qd5 94.Q2 Qd5 95.Q2 Qd5 96.Q2 Qd5 97.Q2 Qd5 98.Q2 Qd5 99.Q2 Qd5 100.Q2 Qd5

White: K. Gatti
Black: M. Raich
Lasker-Reti, 2nd round
1.e4 e5 2.d4 Kf6 3.Kf3 c5 4.Kf3 b7 5.f3 c5 6.c4 d5 7.Bd3 Kf6 8.Rf3 B7 9.Q2 Kf6 10.Qd2 Qd5 11.0-0-0 Qd5 12.Kf3 b7 13.Q2 Qd5 14.Q2 Qd5 15.Q2 Qd5 16.Q2 Qd5 17.Q2 Qd5 18.Q2 Qd5 19.Q2 Qd5 20.Q2 Qd5 21.Q2 Qd5 22.Q2 Qd5 23.Q2 Qd5 24.Q2 Qd5 25.Q2 Qd5 26.Q2 Qd5 27.Q2 Qd5 28.Q2 Qd5 29.Q2 Qd5 30.Q2 Qd5 31.Q2 Qd5 32.Q2 Qd5 33.Q2 Qd5 34.Q2 Qd5 35.Q2 Qd5 36.Q2 Qd5 37.Q2 Qd5 38.Q2 Qd5 39.Q2 Qd5 40.Q2 Qd5 41.Q2 Qd5 42.Q2 Qd5 43.Q2 Qd5 44.Q2 Qd5 45.Q2 Qd5 46.Q2 Qd5 47.Q2 Qd5 48.Q2 Qd5 49.Q2 Qd5 50.Q2 Qd5 51.Q2 Qd5 52.Q2 Qd5 53.Q2 Qd5 54.Q2 Qd5 55.Q2 Qd5 56.Q2 Qd5 57.Q2 Qd5 58.Q2 Qd5 59.Q2 Qd5 60.Q2 Qd5 61.Q2 Qd5 62.Q2 Qd5 63.Q2 Qd5 64.Q2 Qd5 65.Q2 Qd5 66.Q2 Qd5 67.Q2 Qd5 68.Q2 Qd5 69.Q2 Qd5 70.Q2 Qd5 71.Q2 Qd5 72.Q2 Qd5 73.Q2 Qd5 74.Q2 Qd5 75.Q2 Qd5 76.Q2 Qd5 77.Q2 Qd5 78.Q2 Qd5 79.Q2 Qd5 80.Q2 Qd5 81.Q2 Qd5 82.Q2 Qd5 83.Q2 Qd5 84.Q2 Qd5 85.Q2 Qd5 86.Q2 Qd5 87.Q2 Qd5 88.Q2 Qd5 89.Q2 Qd5 90.Q2 Qd5 91.Q2 Qd5 92.Q2 Qd5 93.Q2 Qd5 94.Q2 Qd5 95.Q2 Qd5 96.Q2 Qd5 97.Q2 Qd5 98.Q2 Qd5 99.Q2 Qd5 100.Q2 Qd5

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The Middle East Scene

By Amnon Barior

PRECARIOUS BALANCE IN DIVIDED LEBANON

A YEAR has now elapsed since the eruption of civil disturbances in the Lebanon following the assassination on May 8 of Nassib el-Matni, Editor of the opposition Beirut daily, "Telegraph." It is typical of the still precarious state of affairs in that country that six months after the end of the costly disturbances, security forces were patrolling the streets of Tripoli last Saturday to stave off possible students' demonstrations on the occasion. As is well-known, the predominantly Moslem port of Tripoli was the scene of the first shots of last year's "revolution."

This state of tension has been typical of the country since the strife ended in what was at best an uneasy compromise. It is not confined to the street but has occasionally affected the Government itself. When President Camille Chamoun's term of office expired last September and the "neutral" General Fuad Shihab was elected as his successor, Rashid Karamah, the rebels' Tripoli leader, was asked to form a Government. When the composition of his Cabinet was announced, however, there was a short but determined "civil war" in support of Chamoun's supporters putting up barricades while their opponents were pulling them down. After three weeks of negotiations and a mutual threat of Karamah to give in and form a new Government that was acceptable to the Chamounists and two Moslem leaders, the two Moslems, hold between the posts of Finance, Economy, Defence, Foreign

Affairs, Justice and Planning. The Christians, Pierre Jemayel and Raymond Eddé, run the Ministries of Education, Interior, Social Affairs, Agriculture, Health, Public Works, and Posts and Telegraphs.

Tension Prevails
The slogan of "neither victors nor vanquished," under which the compromise was made, was to prove inadequate, however; tension prevailed inside the Cabinet, and on occasion threatened to develop into a crisis. This was natural since at least two of the Cabinet members have a reputation for being extremists — each on one end of the scale. Karamah and Jemayel have been trying hard to live down their reputation; but the very nature of Lebanese politics, and the composition of the present Government, remain constant factors of tension and instability.

Right now, the three most besetting problems facing the Government are the composition of the Chamber of Deputies, the introduction of administrative reforms, and disarming the civilian population. The present Chamber was elected in 1957, in Chamoun's day and the Moslem opposition has always held that these elections had been tampered with. However that may be, it remains embarrassing for Karamah to deal with a predominant Moslem Chamber. Karamah must also feel that he is subject to the desires and aims of Deputies who owe their seats to the former President's approval.

One of the ways in which Karamah has been trying to deal with the issue is by amending the electoral law. The reason why the law was originally used by the Moslem opposition last year, is that these reforms are needed to secure more equitable representation for minority groups. But Chamoun's supporters see in this an attempt to lessen the power of

The dream that didn't come true: Karamah with Nasser (at right). Below: General Shehab with his four-man government.



the Maronite Christians in Parliament. A similar situation prevails with regard to the so-called administrative reforms; while the Moslems are all for them, the Maronites and their allies consider them nothing but a trap. There is a good case for administrative reform, as the present administrative system suffers from over-centralization inherited from the French, as well as from over-staffing. For the Chamounists, however, the reforms most is the preservation of the status quo. The administration between the Moslems and the Christians, a balance which the former are trying to upset in their own favour.

Disarming the Civilians
The third problem facing Karamah, and one with which both sides are tied up, is how to effect the disarmament of the civilian population, which got hold of very considerable quantities of arms during last year's unrest. Raymond Eddé, the Minister of Interior, for instance, has declared flatly that he would not agree to holding new elections until the population has been disarmed, as he could not guarantee peace in such circumstances. On the other hand, Karamah, whose Government last December managed to get from the Chamber special powers to rule the country by decree for six months, wants to push the proposed reforms through before the Government's powers expire on June 12.



and the U.N. Observers, the "reputation" of the Eisenhower Doctrine, dropping the charges against the United Arab Republic at the U.N. were all welcomed by the Moslem opposition although they did not represent all its demands, or even the more important. For the partisans of full Arab unity have some reason to believe that their action last year has shown conclusively that the Lebanon cannot be entirely detached from the political background of the Arab world or become a mere adjunct of the West.

On the other hand, those who advocate complete Lebanese independence claim that their determined resistance to the pan-Arabism has shown that the Lebanon cannot be forced into a union, even partial, with other Arab countries; as far as the Lebanon is concerned, Arab unity is something that can wait.



Future Prospects
What of the future? The problems which confront Karamah's Government today have confronted every Lebanese Government before him: the difference is one of degree only. The composition of the population is such that no one section can hope to gain predominance over the other just now; the result is that government in the Lebanon is essentially an act of balancing based on the art of compromise. No Government in Beirut can be strong enough to impose its will on the populace; the army has agreed that it is in no mood to use force against the civilians even if they take up arms against the administration. In this situation, the Lebanese conduct through the six-month rebellion last year, although often criticized both in Lebanon and abroad, was perhaps the best he could make of a very difficult job.

One of the things which have contributed to the present relative stability is Cairo's total preoccupation with the events in Iraq, where President Nasser's prestige built over the years, is in danger of total collapse. In this, the Lebanon can be likened to Jordan, where a spell of quiet is being enjoyed for identical reasons. But the Lebanon has problems which are totally different from those confronting Amman. If last year's tragedy is not to be repeated, Karamah and his Ministers will have to tread extremely warily.

THE GREAT BALCONY SCENE

By Ephraim Kishon

AFTER ten days of superhuman efforts, army sappers and fire brigade volunteers succeeded in extricating the Minister of Finance, Mr. Ephraim Kishon, from the third-floor dweller of the house that had collapsed in Tel Aviv. The Minister, who was brought up by the fire brigade, was found in a very warm letter from Mrs. Pomerantz, in which she requested us for her sake to let her come and watch the parade from our place. It was the first time anyone had ever approached us in such a manner. It was a great honour, even though I had never met Mrs. Pomerantz.

Then we decided not to admit any more people into our flat. Misha could come, because of my brother, but after him, we'd draw the line. We'd make an exception for our relatives, but we could not very well turn away the grocer with his twins. But I firmly told the milkman that he could definitely not bring any relatives beyond his parents.

By that time there was no more room on the balcony, so they pulled up tables to the windows. There was a ring from the telephone company: "Something wrong with your phone, sir?" "No, I only disconnected it for today." "All the same, I have to check it. Please see to it that someone should be at home at 10.30." At about nine o'clock, the door was broken down and my son's schoolmates stormed in.

The situation on the balcony became critical when Misha placed a ladder on the Bialazurkevitzes' backs. A vehement quarrel broke out, and the brother of the maid's husband fell down on the Greenspan's balcony. Fortunately he did not hurt himself, because the balcony was packed with greasy patients. Hearing the uproar, the district policeman came up with his little girl.

perched and dug in along the railing. By eight o'clock, 123 of my elementary schoolmates had rung up to inquire about my health. Gradually it dawned on me that the Greenspan family below had disappeared two days ago, leaving on their door two huge padlocks. I saw a sign reading "Beware! Leprosy!"

At 8.30 we disconnected the phone. Soon afterwards a young man showed up with a very warm letter from Mrs. Pomerantz, in which she requested us for her sake to let her come and watch the parade from our place. It was the first time anyone had ever approached us in such a manner. It was a great honour, even though I had never met Mrs. Pomerantz.

Then we decided not to admit any more people into our flat. Misha could come, because of my brother, but after him, we'd draw the line. We'd make an exception for our relatives, but we could not very well turn away the grocer with his twins. But I firmly told the milkman that he could definitely not bring any relatives beyond his parents.



Meanwhile my guests got hungry, so I dashed down and bought 500 beignets. Several passers-by asked whether they could come up, but I let in only a few. Afterward the Municipal Engineer arrived and warned us that it was dangerous to stay in the flat. He asked permission for his wife to stay.

Then came Stux, whom we had called in the fall of 1952 to fix our kitchen tap, and now he had come. At first the right wing of the balcony collapsed, so they all shifted to the left. Then the floor started sagging, so they all piled into the kitchen from where one could also see the parade. Then it happened. The luckier among them were not completely covered by the debris, so that they could watch the march-past through the cracks in the masonry. But I missed the great event.



They say that the Municipality has given Abraham Ten-Petek a new apartment. The apartment is very comfortable and strategically located. The Adloya is going to pass under its windows. By arrangement with Masha.



ISRAEL CELEBRATED HER ELEVENTH INDEPENDENCE DAY . . . THREE SENIOR OFFICERS were promoted to the rank of Aluf (Brigadier-General). WORK BEGAN ON THE 18-INCH PIPELINE to replace the eight-inch Elat-Beersheba section of the Haifa line. POLIO VACCINE DISCOVERER Dr. Jonas Salk, FORMER FRENCH PREMIER GUY MOLLET and Burma's U Kyaw Nyein all arrived for visits. POSTPONING THE COMPULSORY IMMIGRATION LOAN will be discussed by the Economic Ministers Committee after debates in the Cabinet. FOREIGN MINISTRY ADVISER REUVEN SHILOAH DIED of a heart attack.

Memorable Year

THE traditional military parade — this year in Tel Aviv — street dancing and spontaneous festivities all over the country celebrated Israel's 11th anniversary on Wednesday. The day before, the nation recalled the memory of those who fell for the establishment and preservation of independence in the War of Liberation, and the almost ceaseless "small war" waged by the Arabs along most of Israel's frontiers.

Independence Day also brought to an end the Tenth Anniversary Year, which was a considerable success as far as tourism and the creation of goodwill for Israel abroad were concerned, but which lately began to tax the stamina of Israel's own citizens, exposed to a seemingly endless chain of holidays and celebrations.

The Tenth Anniversary year did bring some truly important and memorable events. In April 1958, the new campus of the Hebrew University of Jerusalem was officially opened. In May the Supreme Religious Centre was completed. In July, President and Mrs. Ben-Zvi made an official State visit to Holland and Belgium.

In August, the international Bible Quiz, originally conceived as a programme on

the lighter side, turned out to be the most successful and most impressive single event of the entire Anniversary Year. In September, the Jerusalem Academy of Music was opened and in October the cornerstone for the new Knesset building was laid. In November the first of several international seminars, attended mainly by delegates from the underdeveloped and newly independent countries of Africa and Asia, was held.

In January 1959, the Knesset adopted the Employment Service Law nationalizing labour exchanges. In March, Tel Aviv celebrated its 50th anniversary. March was also a month of VIPs, including Mrs. Eleanor Roosevelt and Queen Elizabeth of Belgium, who was the first royal personage to visit Israel. She was followed in May by the Empress of Ethiopia, who came on a brief private visit. April was a month of international agricultural conferences, conventions and exhibitions, and the current month of May brings back the Independence Day celebrations.

Highlight of the celebrations was, as usual, the Independence Day parade, this year in Tel Aviv. The smooth flow of traffic and parking arrangements, carried out by a special traffic operations headquarters set up by the Tel Aviv District Police, was in marked contrast to the first Tel Aviv parade, which was held up by jammed

thoroughfares. This year 7,000 cars found ready parking in 18 specially prepared lots; some 3,000 of these were driven by invited guests and those occupying the central stands. They managed to disperse within 30 minutes after the parade had passed. From the other lots along the nine-kilometre route traffic moved nearly as fast. Traffic in the city before and during the parade rolled without hitches, despite the several hundreds of thousands of pedestrians who moved to the parade route, and was not held up for any length of time because of congestion, and no bottlenecks were reported.

Polio On Way Out

THE discover of the polio vaccine, Dr. Jonas Salk, arrived in Israel for conferences with health experts, lectured before doctors and scientists and addressed a gathering of wider audience. Prime Minister Ben-Gurion was in the chair during some of the lectures, and the Hebrew University conferred upon Dr. Salk an honorary Ph.D. The visitor expressed his satisfaction with the standards of Israel's laboratories and their polio vaccine, which he termed as good as the American one.

The first large-scale inoculation drive began here after New Year's day, 1957, and by the end of January 92 per cent of all eligible children had received their first shot. As the vaccine became more widely available, eligible age groups were constantly widened. The first results were encouraging. In June, usually the peak month, incidence was only 10 per cent of the same month twice as high as before. In July comparative figures had dropped to eight per cent. Incidence among non-inoculated children was 30 times higher than among inoculated children, and in the few cases when the disease did strike at inoculated children it took on a much milder form.

The following year Israel's mothers crowded the vaccination stations as soon as they were opened, hoping that the disease had been finally subdued. However, when summer came, there was a new outbreak of polio, first in Galilee and later in the rest of the country. Absolute incidence figures for June 1958 were more than twice as high as for June 1956, the last year before the general vaccination in 1957. A different strain of the virus had apparently emerged and the vaccine was less effective against it. However, while the incidence remained very high during the summer, most of the cases were lighter than usual and the death rate was a third of what it had been before inoculation. Incidence among non-inoculated children was 30 times as high as among those who had been inoculated, and doctors believed that had it not been for the mass inoculations, Israel would have had the most tragic polio year in history.

Hurriedly, new types of vaccine were developed and the vaccination season was extended throughout the entire year. Within a few weeks vaccine will also be freely available at drug stores.

Leci's Levy

FINANCE Minister Eshkol presumably needs the money badly, but the Compulsory Immigration Loan has become a distinct double-edged sword for the Government. First, it reminds the public of the so unfortunately widely publicized hopelessness of immigration from Eastern Europe, which, however, practically stopped two months ago. Second, collecting what actually amounts to a tax for non-existent immigration is just too natural a focus for the citizens' dislike of taxation in general.

The Progressive Party within the Government coalition has openly demanded that the law permitting the collection of the immigration levy should not be implemented as of May 1, as scheduled. Possibly the Progressives were not the only ones holding this view inside the Cabinet, which debated the matter twice this month and decided to pass it on to the Economic Ministers' Committee.

When signs of large-scale immigration from Eastern Europe materialized in September 1958, both the Jewish

Israelis and tourists looked on proudly at representatives of each branch of Israel's Armed Forces, passed in review during the Independence Day Parade in Tel Aviv.

Agency and the Government began to talk about the urgent need for emergency fund-raising to finance absorption. In November it was decided to float a £150m. voluntary loan, and in the over-zealous effort by everyone concerned, each Ministry and each department provided a different set of figures to prove how urgently the money was needed. Worse yet, while everybody told everybody else that the East European governments concerned did not want publicity about emigration to Israel, top Government officials discussed figures of expected newcomers from these countries.

On January 15, 1959, Finance Ministry sources indicated that the mass immigration would require a £120m. increase in the original estimates for the new budget. Two weeks later, Mr. Eshkol already spoke in terms of needing £170m. and the possibility of new taxation began to be mentioned. Early in February, Mr. Ben-Gurion lashed out against the poor response to the voluntary loan and two days later, not unexpectedly, discussions began about levying a £150m. Compulsory Immigration Loan.

Meanwhile, immigration from Eastern Europe slowed down, picked up again briefly, and finally came to an almost complete standstill in March. Northwards, the Cabinet submitted a bill authorizing the Compulsory Loan to the Knesset, which approved it on the eve of the Coalition's bitter debate.

The new law authorized the Minister of Finance to start collecting the levy immediately. Mr. Eshkol announced that indeed he thought it necessary and that therefore the levy would be withheld from monthly salaries as of May 1. This created considerable opposition among the public and the Cabinet reconsidered.

Mr. Secret

"SECRET" was perhaps the key word in the life of Reuven Shiloah, lately Political Adviser of the Ministry for Foreign Affairs with the rank of Ambassador. With his sudden death of a heart attack this week, the curtain was drawn over some of the most fascinating and intriguing episodes of Palestine and Israel history in the past 25 years.

The career that took Shiloah to the glass-bowl of Jerusalem's Teachers' College, he volunteered for one of the vacancies at the Jewish Community School in Baghdad. From then on, Shiloah became Shiloah's specialty: first in the Histadrut, later for 12 months in the Political Department of the Jewish Agency, and then, after the establishment of the State, at the Foreign Ministry.

In the past two decades there has been hardly an important political mission, hardly a strategic move, particularly in relation to the neighbouring Arab states, in which Reuven Shiloah did not have some part. He would leave Jerusalem on the morning for a conference in Tel Aviv and come back three days or three weeks later from Paris, Tehran or Casablanca. Most of his trips will probably remain in the classified files for a long time. Some of the more interesting ones became public knowledge quite by accident, as when former U.N. Palestine Mediator, Dr. Ralph Bunche, confirming the authenticity of some disputed Armistice maps, said that they had been checked in a long night session attended by Shiloah and Moshe Dayan at King Abdullah's palace, and initiated there next morning.

Shiloah had at least two other meetings with King Abdullah: when he saw him with Golda Meir (Myerson) on the eve of the War of Liberation in an attempt to prevent the outbreak of major hostilities with Jordan, and later, during the secret negotiations for an Israel-Jordan non-aggression agreement.

One of Shiloah's dreams was to take a year off from his duties to write the behind-the-scenes history of the past 25 years of Israel-Arab relations. However, till the very end, he was too busy playing a central role in that history to become a reminiscing reviewer of the past.

PELTOURS

TRAVEL TOURS INSURANCE FREIGHT

DEPARTURES: MAY 17 — MAY 22

FROM TEL AVIV-JAFFA (LOD AIRPORT)

Date	Time	Company	Destination
May 17	0805	T.W.A.	Athens, Rome, Zurich, Frankfurt, New York
	0900	EL AL	Istanbul
	0945	EL AL	Rome
	0955	B.E.A.	Athens, Rome, London
	1000	EL AL	Athens, Paris, New York
	1005	AIR FRANCE	Rome, Paris
	1010	EL AL	Istanbul
MON. May 18	0700	SWISSAIR	Athens, Zurich, Xanthi, Ankara, Istanbul
	0815	B.E.A.	Rome, London
	0845	AIR FRANCE	Rome, Paris
	1200	EL AL	Rome
	1215	ALITALIA	Rome
	1400	EL AL	Athens, Vienna
	1405	EL AL	Amsterdam, London, New York
	1410	EL AL	Nicosia
TUES. May 19	0010	EL AL	Johannesburg, Karachi, Bangkok, Saigon, Manila, Sydney, Melbourne, Tokyo
	0700	EL AL	Nicosia, Athens, Zurich, Frankfurt
	0710	OLYMPIC AIR	Nicosia, Athens, Zurich, Frankfurt
	0805	T.W.A.	Rome, Milan, Zurich, Paris, New York
	1015	B.E.A.	Athens, Zurich, London
	1150	ALITALIA	Rome
	1245	B.E.A.	Munich, Amsterdam
	1300	EL AL	Rome, Paris, New York
WED. May 20	0815	B.E.A.	Nicosia, Ankara, Istanbul, Rome, London
	0900	EL AL	Istanbul
	1045	AIR FRANCE	Rome, Paris
	1300	EL AL	Rome, Munich
	1340	EL AL	Brussels, London, New York
	2330	AIR FRANCE	Tehran, New Delhi, Bangkok, Saigon, Manila, Tokyo, Darwin, Sydney, Melbourne
THURS. May 21	0700	SWISSAIR	Athens, Zurich
	0700	EL AL	Athens, Vienna
	0800	EL AL	Zurich, Paris
	0905	B.E.A.	Athens, Rome, London
	1005	SABENA	Athens, Vienna, Brussels
	1100	T.W.A.	Athens, Rome, Paris, New York
	1245	K.L.M.	Rome, Amsterdam
	1300	EL AL	Rome, London, New York
	1340	AIR FRANCE	Rome, Paris
	1800	EL AL	Nicosia
FRI. May 22	0800	EL AL	Istanbul
	0845	OLYMPIC AIR	Athens, Rome, Paris, London
	0905	B.E.A.	Athens, Zurich, London
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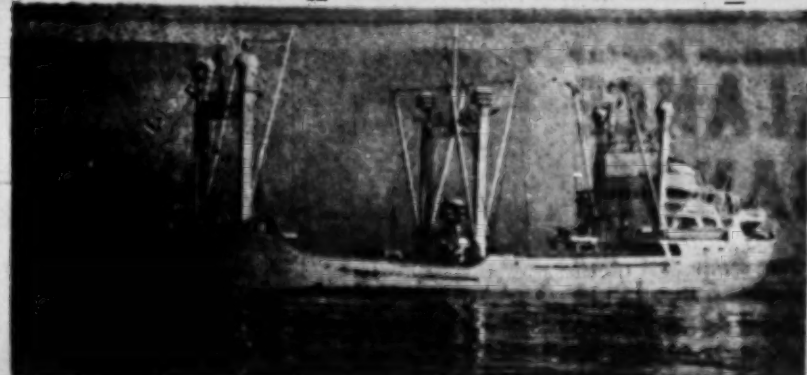


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NEW DEAL FOR ZIM

Shipping Line is Basically Sound Earner

By YA'ACOV ARDON

WHEN it comes to shipping matters, the psychological distance between Jerusalem and Haifa is considerable. Shipping has proved a first-rate business for the nation. It is one of our soundest large public investments. It has accomplished everything an investment should: our merchant ships save and earn dollars, employ many hands aboard and ashore, spread productive skills, reinforce the security of a country ringed by enemies, assure its foreign trade reasonable and stable freight rates and carry the blue and white flag to foreign ports, showing Israel to the world as a going concern.

Had it not been for prolonged hesitation in Jerusalem, this merchant fleet could have had the oil tankers that were only recently ordered several years earlier, earning enough to pay for several more modern tankers. Zim's 18,700-ton Haifa. When, in a few years, we have a 200,000-ton tanker and super-tanker fleet, enabling us to bring in crude oil from any source, this will cut the country's petroleum bill so drastically that if the saving is passed on to the consumer it will mean a new deal for Israel's economy.

Modern tankers will make for a healthy diversification of Zim's fleet, whose 26 ships, nearly all new, aggregate 165,000 tons dead-weight, and are worth about \$70m. Many more ships are on order, so many that it is doubtful whether enough crews, especially engine-room officers, can be trained in time to man them all.

The current world shipping slump has hardly affected Zim's shipowners. Last year Israel vessels carried less than a third of the country's foreign trade. Zim, which has opened up into new sea routes, such as the Gold Star services between Japan and Africa, the Silver Star service between Africa and the U.S., and the new line between Haifa and the Great Lakes, chartered foreign ships until new Israel tonnage could take over. These ships were taken on at the current low rates, and thus the slump has actually helped Zim's growth.

Why, then, are Israel shipowners finding business increasingly difficult? Profits have declined from 11.1% in 1956 to 11.1% in 1957, and were probably no better last year. This is barely three per cent of the turnover. According to Dr. N. Wydra, senior member of Zim's management board, operating costs are 15 per cent higher than in Europe. At the same time, the ILS 800 exchange rate for net dollar earnings puts Israel shipowners at a disadvantage, especially at a time of cut-rate competition.

If Israel ships can ride out the present slump, it is because they are modern, fast and well maintained. Dr. Wydra puts the net earnings of Zim's assorted fleet at \$40

to \$80 per ton. In 1957 Zim earned \$8m. In added value, at such a rate a freighter can pay for itself within six to eight of its life-span of 15 years. Few public enterprises are in such excellent health, though the artificial exchange rate distorts the picture.

So far the Finance Minister has been adamant in his resistance to the shipowners' demand for an export premium raising the exchange rate. Why should I pay Zim a premium on dollars it earns from ships bought with cheap government credit? he asks.

Why should I supply Zim with funds to repay its debts to the Treasury?

Continual Expansion

Zim was founded by the Jewish Agency, the Histadrut and the Maritime League in 1945, when private capital feared to enter this field. In 1948 the three institutions found themselves in a business whose momentum carried them into an expansion that has never stopped since. As the three bodies had little capital to put into shipping, they turned to the Government for credit. When reparations from Germany came and it was decided to use some of the funds to replace superannuated tonnage, the view prevailed that Zim was a logical recipient, in view of

its public character.

The company's authorized capital still stands at IL6m, of which about IL4.7m have been paid up. Irredeemable debentures account for another \$3m. It is natural that the Treasury regards itself as Zim's real owner.

When the Finance Minister advances investment credits to the economy, he acts as a commercial banker. When he rules on an export premium, he acts as the arbiter of national currency management. Denying shipping a realistic exchange rate that would cancel many of its debts is a confusion of the two roles, the company claims.

The Treasury could set millions of scarce investment pounds free for urgent development projects elsewhere if it exchanged its loans to Zim for ordinary shares and offered these to the public.

But Zim's financial structure would have to be changed to make such a move successful, and an adjustment of the exchange rate would be an essential part of it. Several large European enterprises have lately issued "people's shares"—small denominations of stock that have been snapped up. When the prosperity of the shipping business is allowed to enter its profit and loss accounts, there will be no shortage of buyers.

Shipbuilding Could Pay

Expert Planning Needed in Establishing New Yard

Jerusalem Post Reporter

THE Government last month approved the construction of a shipbuilding and ship repair yard in Haifa under the technical supervision of a Dutch company.

In the first phase the projected facilities will allow for all repair and maintenance work on the merchant fleet to be undertaken in Haifa and for the construction of vessels up to 7,000 tons. No official statement has yet been made on the investment, but at today's prices such a yard may cost about IL20m, a good part of it in foreign exchange for equipment and foreign experts.

Labour Force

At the end of about three or four years the yard may be expected to employ some 2,500 workers, not counting those who will work for the new industry in auxiliary services, and it will then become the largest industrial enterprise in the country. What are its economic prospects?

The Haifa Labour Council is confident that shipbuilding here will pay "under certain conditions." What are they? The metal workers' secretary, Eliezer Bar Haim, who was in Europe last year to see how shipyards are run, lists the following three requirements:

The shipyard project must have an adequate budget for all repair and construction facilities.

The yard must have orders for two or three years ahead, because only continuous employment keeps it profitable.

Work must be properly organized and coordinated, shipbuilding is teamwork and interdependence between its various trades is unlike in any other industry.

Mr. Bar Haim thinks that a group of foremen will have to be trained abroad to bring back the necessary know-how. The 200 workers

of the Hayama shipyard (a Koor affiliate) in the Bay-side area should provide the nucleus of the projected yard's labour force, which will grow to 2,500 men within a few years. "Skilled tradesmen are not idle here," he says.

Dutch Competence

Mr. Bar Haim has also firm convictions on the advantages of making an agreement with the Dutch for the construction of the yard because of their outstanding technical competence and the favourable terms of their offer. He adds:

"Shipbuilding is not beyond our capacity. They are all the secrets. If the three conditions are fulfilled, it will be a profitable enterprise. It will absorb newcomers and be a security asset. If properly organized, it will build ships at competitive prices. No conclusion should be based on the cost accounting of Haifa's eight-hour day for a man's work. In 1958, 18 workshops are in operation from the seafront and that is bound to reduce costs."

Negotiations are now under way between the Government and the Labour Council on pay scales for the projected yard. If wages and social benefits now prevailing in the metal industry and Haifa are applied, the ships built in Haifa will probably be about as expensive as in the U.S., whose yards charge the world's highest prices. But if the Labour Council agrees to lower terms than in the rest of our metal industry, will the highly skilled workmen leave? And what will private industry say to such preferential treatment?

If the Haifa Labour Council is to Dutch production norms and pay rates in shipbuilding, will it agree to Dutch norms also in other industries, textiles, for instance? The director of Ata, Mr. Hans Moller, has dreamed for years of achieving the Dutch standard of his Dutch competitors.

No doubt the shipyard management will have to be accorded privileges on all terms of hiring and firing its workers. If they are to compete with those of European shipyards, in Britain labour accounts for 40 per cent of shipbuilding costs. Here no official calculations have been published. The problem has been rendered more acute by growing international competition and recent price cutting as a result of the prolonged slump in the shipping business.

In 1956, the construction of super tankers cost \$240 a ton in Japanese yards. Today the rate there is down to \$140, in Europe to \$150. Throughout the shipbuilding world, prices vary up to 33 per cent, not so much because of cost differentials but because of non-economic factors, such as the desire of the shipyards to keep busy and to retain their labour force rather than close down and let their skilled teams scatter.

One of the firms which has an interest and even a stake in the economic and technical success of the new yard is the Zim Navigation Company. One of its four directors, Dr. N. Wydra, makes it clear that "Zim doesn't want to, indeed cannot, pay higher prices for ship construction or repair here than it would have to elsewhere, because we must keep operating costs down to a level at which it can compete with the fleets of other flags."

Dr. Wydra also foresees a financial problem in the practice of most shipyards nowadays of granting buyers up to eight years' credits at very reasonable interest. "Will there be financing bodies here to extend similar facilities to buyers of Haifa-built ships?" he asks.

If all things are equal and competitive with foreign yards, Zim will certainly buy ships

in Haifa, because it still employs chartered ships under foreign flags which can be replaced by home-made vessels, the Zim manager promised. He thought that the Haifa workshops were doing a competent job and were striving hard, but that their rates were still high, and that despite the fact that it was granted an export premium of IL0.850 per dollar.

Subsidies Necessary

Engineering and economic experts in Haifa believe that setting up and running a shipbuilding yard at the present general rate between labour cost and productivity in industry will call for large-scale subsidies in one form or another for many years. As one of them summed it up: "You'll have to regard it as a big trade school, at least for a couple of years, and schools cost money. You can't expect the buyers of the ship to pay for the training."

Ten Years Of Communications

ROAD TRANSPORT: In 1958 the Government maintained 2,900 km. of main roads. In addition 687 km. of roads were maintained by the local authorities.

RAILWAYS: There are 436 km. of main line and 215 km. of branch line in operation. All the railways had been converted to diesel locomotives by the beginning of 1958. Electric signalling was installed in 1958 on the Haifa-Tel Aviv line.

SHIPPING: The Israel merchant fleet has grown from four vessels, displacing about 6,000 tons, in 1948, to 26 with a capacity of 278,000 tons dead-weight, at the end of 1958; four passenger vessels, two mixed, 21 cargo vessels (14 for oil), and four tankers.

During the last two years, 51 ships have been added, with a displacement of approximately 100,000 tons.

AIR SERVICES: In 1958 there were only two civilian planes registered. Today 22 Al Airlines has four Britannia turbo-prop and four Constellation. There are several internal aviation companies flying smaller planes.



Motorists lining up for the start from Safed on the second day of the car rally.

Correct Driving Pays Off

THE organizers of Israel's first automobile rally, in which 50 cars drove up and down the country from Tel Aviv to Galilee over a specially selected route under the critical eye of selected judges a couple of weeks ago, had several qualms and hesitations about it, which is one of the reasons why the number of participants was so strictly limited. Who would volunteer for such a sporting event? they asked themselves. How would the idea work out? Would it be possible to combine pleasure and usefulness in the service of the main aim of the rally, which was to teach better driving, improve road manners and instill respect for safety?

Sonol, whose name has been associated for the past few years with various road safety schemes such as the yearly Safe Driver competition, the campaign against blinding headlights and the drive for more vehicle inspections, conceived the rally as another educational tool, and the Automobile Club and Touring Association enthusiastically took up the idea, which the three associations co-sponsored and organized together.

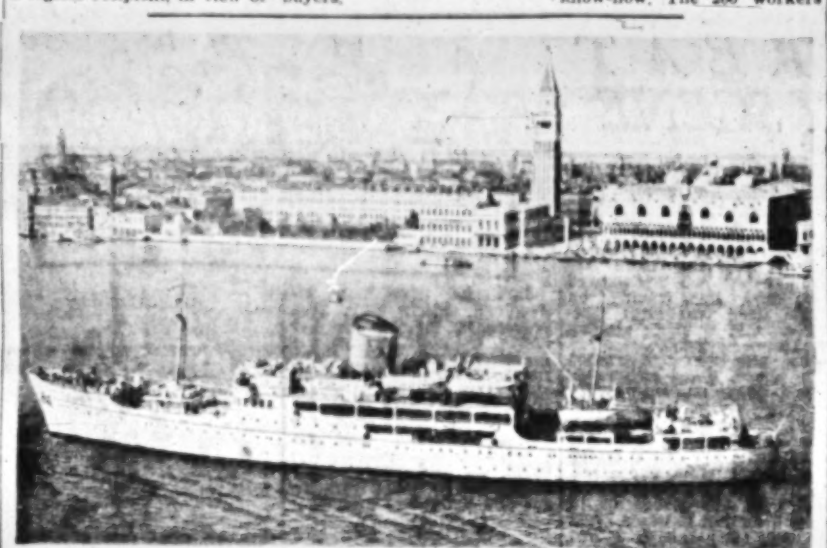
The result? The courteous and the careful won hands down — although no one actually infringed important driving regulations. The traffic policemen who rode up and down the road had been instructed to be strict and report all violations, but not a single one was reported.

Well Planned

The event itself vindicated the planning that had gone into it, which had selected a wide variety of road, gradient and traffic conditions. On the other hand, at times the requirements set proved rather tight. The Nazareth-Shefa-Am-Ahmad-Rama-Pekiin-Sasa-Safad leg proved difficult for most of the competitors, who found it hard to remain within the limits of the time set, and especially to see to all the requirements of road safety while maintaining the overall speed on which they had counted. The same held the next day for the Metulla-Shefa Zion leg, and the organizers will take this experience into consideration when they plan the 1960 rally — for this is to be an annual affair.

While all the contestants displayed a high degree of driving ability along the entire route as well as in the special tests to which they were subjected, such as the braking test at Shavei Zion and the steep climbing test high on Mt. Carmel, it was interesting to note that it was the small cars who made out best in the strenuous conditions of driving on poor roads. The winners of the first four prizes all drove small cars, which speaks for itself. So does the occupation of the first prize winner: he is a 56-year-old planning engineer who drove a small Dauphine.

The participants expressed their general satisfaction with the tests, the route, the refereeing procedures and the accommodation facilities and arrangements, and were particularly appreciative of the care and attention given their cars by the mechanics provided along the way, along with a mobile gas station, by the sponsoring organizations. In this connection it is interesting to note that it was the Sonol people who insisted on a petrol economy test as part of the criteria on which the contest was judged, in order to prove to the contestants and to all drivers that correct driving saves fuel as well as lives.



An Adriatic ship entering Venice harbour.

Adriatica Marks Century Of Passenger Service to Holy Land

Jerusalem Post Reporter

THE Italian shipping company, Adriatica, has run a regular passenger service between Italy and Israel, not only since the firm was established in its present form in 1936 but for a century before that when its

forerunners served this country. Adriatica suspended its service only twice — during World War II and for a fortnight during the Sinai campaign, when the British Navy declared this part of the Mediterranean a danger area. During the War of Independence the company's ships called here without fail.

The line runs two ships at present, the Enotria and Messapia, sister vessels of 8,200 tons each. Their passenger capacity is 290, and they can also carry 600 tons of cargo. One ship sails from Genoa via Greece and Cyprus to Haifa, and her sister starts the run at Venice. Each calls here once a fortnight, arriving early in the morning and sailing 15 hours later.

Christian Pilgrims

During 1958, the line carried 5,600 incoming and 6,200 outgoing passengers, at fares about equal to those of Zim. The line's principal clients are the Christian pilgrims visiting the Holy Land. Their number varies in close correlation with the political situation, dropping off whenever there is border unrest. But Adriatica also carries many ultra-orthodox Jews who will not sail on Jewish ships, because their Jewish crews work on the Sabbath to keep the vessels afloat. For these the firm caters with special kosher food. A regular passenger is the famed Rebbe of Satmar, who usually travels with a sizable retinue. He is due again this year.

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If all things are equal and competitive with foreign yards, Zim will certainly buy ships

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WHY BANKING IN ISRAEL IS NOT PROFITABLE

Contribution to a Discussion Of Causes and Remedies

By Dr. M. E. Witkon

Two years ago, when the Bank of Israel published its first report on bank earnings in Israel, the decline in the ratio of expenses to earnings from 1950 to 1956 was hardly noticed. Comment and criticism centered mainly on the rate of profit, absolutely and in relation to capital funds. This report appeared good, too good for some critics.

One year later, figures showed that the margin of profit in 1957 had been nearly halved since 1956, and that the average gross profit before taxes and reserves had fallen to 6.3 per cent of earnings; expenses absorbed almost 94 per cent of the income.

Nineteen-fifty-eight, for which no official statistics are available yet, seems to have been slightly better than the year before. The first months of 1958, on the other hand, are reported to have been less promising. In any case, the decline in the ratio of expenses to earnings of the Bank of Israel has become a serious and perhaps dangerous situation.

The problem deserves wider attention. So long as banks are profitable, the rate of profit may be a matter of indifference to the public. But should our banks ever reach a position where, except for very temporary reasons, their expenses are no longer amply covered by earnings, it would be the public's money which would be in danger.

What is a reasonable ratio of expenses to income in banking? Some indication can be given by international statistics:

Year	Expenses	Gross Profit	Expenses	Gross Profit
1950	88	12	88	12
1951	88	12	88	12
1952	88	12	88	12
1953	88	12	88	12
1954	88	12	88	12
1955	88	12	88	12
1956	88	12	88	12
1957	88	12	88	12

Profit Margin Shrinking

Even in 1950/51, our gross profit ratio of 12 per cent was well below the U.S. standards. The present ratio of gross profit of six per cent is most unusual.

Now, a small but stable profit margin may not be dangerous, so long as it suffices for certain minimum requirements, but the continuously shrinking margin shown by the Israeli statistics is dangerous indeed; particularly in the long run.

Year	Expenses	Gross Profit	Expenses	Gross Profit
1950	88	12	88	12
1951	88	12	88	12
1952	88	12	88	12
1953	88	12	88	12
1954	88	12	88	12
1955	88	12	88	12
1956	88	12	88	12
1957	88	12	88	12

Ratio of Net Profits

One may suggest on the basis of these and other observations that with all the sharp competition in banking everywhere, a profit margin is considered adequate only if it meets three factors. These are: the rate of taxation, the yearly addition to reserves necessary to make provision for the yearly increase of risk assets (loans, advances, discounts and investment in securities), and the ratio of net profit to capital funds (share capital and reserves).

It is remarkable that while the gross profit margins of the big U.S. and Swiss banks are very different, their profit margins after taxation are almost identical—about 20 per cent of total earnings. From this aspect Israel, with its taxation usually equals or even exceeds the high U.S. rates, should aim at gross margins approximating the American average of over 40 per cent. As to the ratio of net profits after tax to capital funds, Swiss banks stand there in 1957 at between seven and ten per cent, of which about three-fifths were distributed as dividends. U.S. banks earned about eight per cent and distributed between 60 and 80 per cent in dividends to shareholders. Israel banks, on the other hand, earned about five per cent in 1957; in 1956 they earned about one-third thereof for dividends and two-thirds for reserves. In 1956, the IL-

1m. thus available for addition to reserves was not in relation to the rise of risk assets that year by some IL100m. as in 1957, when the volume of loans, advances and similar risk assets grew again by more than IL100m. and the capital funds of the banks also rose. The nearly sufficient standards of 1956 would thus have been maintained only if profits before tax had grown from IL14.7m. in 1956 to IL17m. in 1957; instead, they dropped to IL12.2m. before tax or little more than IL11m. after tax. If no new funds were to be distributed this profit would be clearly inadequate.

In reality, of course, profits were not evenly distributed among the 25 Israel banks. In 1957, the four largest banks (the Bank Leumi, the Discount Bank, the Workers Bank and the Union Bank) declared together with their two banking affiliates total profits after tax of about IL18m., of which nearly IL11m. went to strengthening their reserves. Other banks, too, showed profits, and it is indeed a riddle how to reconcile the lower total profits quoted by the Bank of Israel for the whole banking system. A partial explanation, this, however, does not detract from the seriousness of the continuous decline in the profit ratio which the statistics undoubtedly reveal.

Problem of Interest Rates

Any discussion about how to improve the earning position of banking in Israel will tend to concentrate on the main items of income and expenditure: the interest which banks charge on loans on the one hand, and interest to depositors and staff salaries on the other. Between two-thirds and three-quarters of bank earnings everywhere come from loan interest, and about the same percentages of bank expenses everywhere go to pay for salaries and the depositors' interest. What could be more natural than to try raising the interest on loans and reducing the other a bit, in order to improve the margin between them? However, the road to making banking pay is more complicated than that, and



The imposing P.C. Levy building in Tel Aviv, known as the Financial Centre, houses the Mortgage and Savings Bank, Union Bank of Israel and Comand-Israel Bank.

rest rates should be left to take their own course, and certainly not raised by "ear-ear" agreements or official intervention. In a continuously growing measure, however, the lower rates are also the result of official prescription. More and more of the earning assets of every bank are now loans directed to selected categories of clients by the Bank of Israel, the Treasury and the Ministry of Trade and Industry and Agriculture. The funds used for granting such loans are partly the general resources of banks, partly specific types of deposits, partly government deposits, and partly funds made available by the Bank of Israel. Whatever they are, such loans have two common characteristics: on the one hand they carry certain privileges with regard to the liquidity and credit-freeing regulations of the Bank of Israel, and on the other hand they are made available to the borrowers at prescribed lower rates of interest than the general market rate.

It is at this point that action must be taken, if the aim of improving bank earnings is to be achieved. The interest payable to depositors should also be referred to forms of deposits no longer attractive to anyone. Staff costs represent everywhere the banks' largest item of expenditure. In Israel they are relatively high, and the percentage of total bank earnings absorbed by staff costs is among the highest in the world. This is a serious problem requiring serious attention. It involves the whole question of the relative "efficiency" of our banking system.

This proposal is wrong in principle as well as in practice. In principle, because no agreement or regulation eliminating competition can be justified, if at all, except for opposition objects that cannot be attained by other means. In practice, because the governing interest rates paid by banks are not those for time deposits, but those of the savings schemes operated by some banks; and no one has proposed to reduce — perhaps necessarily so, because they in turn have to compete with the high interest rates paid by the Government for its own dollar-linked or index-linked and tax-privileged debentures. Therefore a reduction of interest rates for time deposits and current accounts would not provide cheaper funds for the banks. It would only increase the attractiveness of the so-called savings schemes, which already successfully combine the advantages of high interest rates and high liquidity. This would result in a shift of funds to the few banks operating savings schemes, at the expense of all other banks, which would

be left to enjoy the empty privilege of offering low interest for forms of deposits no longer attractive to anyone.

Staff Costs

Staff costs represent everywhere the banks' largest item of expenditure. In Israel they are relatively high, and the percentage of total bank earnings absorbed by staff costs is among the highest in the world. This is a serious problem requiring serious attention. It involves the whole question of the relative "efficiency" of our banking system.

No useful contribution to the treatment of this problem is made by the reproach that average bank salaries in Israel are too high and that banks too easily agree to demands for excessive salary increases. Still, the reproach requires an answer, since even the economists of the Bank of Israel appear to support it. Their latest report on banking (bulletin No. 9, page 4) calculates that staff costs rose by 25.5 per cent in 1957, due to a 15 per cent rise in the number of employees and a 13 per cent wage increase. The increase in staff costs "exceeded, therefore, that in most of the other branches of the economy."

I wonder whether the statisticians of the Bank of Israel have not been misled in their calculation of circumstances. A large part of the increase in the number of bank employees in 1957 resulted not from a general expansion in banking spread more or less equally over the whole period of the year, but

Managing Directors and their Deputies numbers are too small and individualities too different to permit sensible comparisons.

If we base ourselves on the choice of a career actually made by the future managers of our economy, the material attractions of the banking profession prove to be rather too small than too big; and the counsel to use pressure on the average level of bank salaries as a remedy for improving the earning position of banking does not appear realistic.

A serious approach to the problem of staff costs must take account of other factors: 1. The growing habit of adding new "fringe benefits" to salaries not so much for their social importance as because they involve no income tax for the recipient.

2. The rigid system of annual "seniority" increments to salaries, even if employees

have reached their position of optimum usefulness in the organization of the bank.

3. The great and continuing expansion of the banking staff work on behalf of Government departments and the Bank of Israel, partly for statistical, partly for control, and partly simply in order to alleviate government departments of their clerical work.

4. The rapid expansion of branch banking. It has been claimed that it costs no more to set up a new branch than to expand an existing one sufficiently to serve a greater number of customers. As a general proposition, this seems impossible, and failing statistical proof to the contrary, it must rather be assumed that for many of the smaller bank offices the staff, with its relatively high percentage of signature holders, is more costly than the additional business which it brings in.

5. The requirement in an existing large branch for a comparable increase in customers.

Pitfalls of Branch Banking

Even the greatest practical adherents of branch banking among the bankers and public alike might not have been "overdone." Let us first look at some empirical evidence:

1. One Israeli bank about doubled the number of its branches between 1956 and 1957. In that same period, its total resources increased by about 50 per cent, its deposits by 70 per cent, its loans by almost 60 per cent; but its net profit (as published) not only did not increase, but actually dropped by one-fifth. In relation to the expansion of its operations, profitability appears to have been cut to almost one-third.

2. Another Israeli bank, with a staff of 100, had 10 branches. Its net profit was 100,000. If it had 20 branches, its net profit would be 100,000.

3. A third Israeli bank, with a staff of 100, had 10 branches. Its net profit was 100,000. If it had 20 branches, its net profit would be 100,000.

4. A fourth Israeli bank, with a staff of 100, had 10 branches. Its net profit was 100,000. If it had 20 branches, its net profit would be 100,000.

5. A fifth Israeli bank, with a staff of 100, had 10 branches. Its net profit was 100,000. If it had 20 branches, its net profit would be 100,000.

6. A sixth Israeli bank, with a staff of 100, had 10 branches. Its net profit was 100,000. If it had 20 branches, its net profit would be 100,000.

7. A seventh Israeli bank, with a staff of 100, had 10 branches. Its net profit was 100,000. If it had 20 branches, its net profit would be 100,000.

8. An eighth Israeli bank, with a staff of 100, had 10 branches. Its net profit was 100,000. If it had 20 branches, its net profit would be 100,000.

9. A ninth Israeli bank, with a staff of 100, had 10 branches. Its net profit was 100,000. If it had 20 branches, its net profit would be 100,000.

10. A tenth Israeli bank, with a staff of 100, had 10 branches. Its net profit was 100,000. If it had 20 branches, its net profit would be 100,000.

11. An eleventh Israeli bank, with a staff of 100, had 10 branches. Its net profit was 100,000. If it had 20 branches, its net profit would be 100,000.

12. A twelfth Israeli bank, with a staff of 100, had 10 branches. Its net profit was 100,000. If it had 20 branches, its net profit would be 100,000.

13. A thirteenth Israeli bank, with a staff of 100, had 10 branches. Its net profit was 100,000. If it had 20 branches, its net profit would be 100,000.

14. A fourteenth Israeli bank, with a staff of 100, had 10 branches. Its net profit was 100,000. If it had 20 branches, its net profit would be 100,000.

15. A fifteenth Israeli bank, with a staff of 100, had 10 branches. Its net profit was 100,000. If it had 20 branches, its net profit would be 100,000.

16. A sixteenth Israeli bank, with a staff of 100, had 10 branches. Its net profit was 100,000. If it had 20 branches, its net profit would be 100,000.

17. A seventeenth Israeli bank, with a staff of 100, had 10 branches. Its net profit was 100,000. If it had 20 branches, its net profit would be 100,000.

18. An eighteenth Israeli bank, with a staff of 100, had 10 branches. Its net profit was 100,000. If it had 20 branches, its net profit would be 100,000.

19. A nineteenth Israeli bank, with a staff of 100, had 10 branches. Its net profit was 100,000. If it had 20 branches, its net profit would be 100,000.

20. A twentieth Israeli bank, with a staff of 100, had 10 branches. Its net profit was 100,000. If it had 20 branches, its net profit would be 100,000.

general economic policy demands that the expansion of bank credit be restricted and an increase of loan charges levied, the economic practicability of additional deposits cannot but be low; and as long as the earning capacity of funds is purposely kept at sub-normal standards, even the most normal expenses (by way of salaries and interest) incurred in collecting deposits seem prohibitive, with such effects on the banks' earning position as we have seen.

If some banks in Israel could form a collective with a reasonable mind of its own, they would decide today to go slow on expanding their deposits.

Inner Contradiction in Policy

HOWEVER, since banks are not a collective but individual entities, highly suspicious of and competitive with each other, it is improbable that they will apply this lesson. They will try to survive at each other's expense, big banks swallowing small ones, the cautious infected by the reckless, each fearing — and this again is a justified fear — that in Israel's economic climate whoever is left behind, even in a race of folly, is usually the loser.

If that is so, there may be no hope of improving the banks' earning position except by the harsh corrective action of reality. Still, remembering that our banking system is also subject to superior regulation by the Bank of Israel and that our monetary policy and the technique with which it is applied are consciously planned and executed from a centre of economic thought, power and responsibility, something better than mere fatalistic submission to blind forces might be hoped for.

So far, it seems, the Bank of Israel has acted in the opposite direction. While trying to maintain a strict hold on the lending activities of the banks, it has encouraged their expansive accumulation of deposits. Every relaxation of the credit-freeing regulations, but not least the so-called "simplification" of liquidity rules in January 1957, was a reward for those banks whose deposits had grown more than average, and thereby an inducement to all banks to take part in the competitive race for more deposits.

The inner contradiction of this position has apparently been sufficiently realized. In advanced countries, central banks generally concentrate most of their influence on the liabilities side of the banks' balance sheet; deposits are kept in bounds, a curtailment in active banking follows mostly by itself. Our technique of working directly on the assets side by quantitative and qualitative credit direction is mainly used in less advanced countries in times of great

local losses by profits at the centre. Thereupon, a new economic theory is proclaimed: the day of the small local banks and credit societies is done, their fate is to close or to be absorbed into large nationwide banking organizations.

It is so easily said. A tradition of decades, a whole philosophy of cooperative endeavour are sacrificed to the march of progress which, closely examined, sometimes means merely exchanging a local unit that is no longer viable for an unprofitable branch of a larger organization. Are we always sure that real progress — higher efficiency, greater profitability, more credit — is achieved in this way? So far, no corroborating evidence has been published.

Bank Profits and Credit Control

Limitations imposed by considerations of monetary policy on the use of bank funds — both as to volume and earnings — may be justified, but the marginal usefulness of additional funds. As long as

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2. Housing Committee of the Tel Aviv Labour Council.
3. Housing Committee of the Ramat Gan-Givatim Labour Council.
4. Housing Committee of the Holon Labour Council.

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Economic News from Abroad

Sterling's Trade Risk

Britain's new budget, featuring big tax concessions to both consumers and industrial investors, has been framed with an eye to the forthcoming general election. It also has wider significance because of the implied assumption that the world trade is on the upswing again. It expects a rise of two per cent or so in the volume of British imports, and an increase of perhaps four per cent in the export prices, and hopes that British exports will expand by a bigger amount — and by a much bigger percentage.

THE JERUSALEM POST

Friday, May 15, 1959

ELSEWHERE in this issue

One of our leading bankers has come out with a reasoned attack on the present situation of credit control as well as on some bank policies. Dr. Wilton's exposition of the disadvantages involved in the present rigidity of credit, and of the decision to open up the credit system, even though his suggestions are certain to be countered by many critical comments.

CREDIT CONTROL CRITICISED

In particular, one may expect Dr. Wilton's opponents will stress the economic cost of maintaining strict credit control in order to husband our scarce capital resources in accordance with economic considerations and national priorities, uninhibited by vested interests and profit prospects which take care to be entrusted to commercial banks. It should therefore be pointed out that this necessity is fully admitted by Dr. Wilton, though his critique is directed against the specific form which the implementation of credit control has assumed in this country.

While Dr. Wilton's approach is that of a practical banker, the point is worth

re-emphasizing in a wider context. First, with all the credit due to the Bank of Israel for its unceasing efforts to curb inflationary demand, it should be recognized that it has been only partially successful in this respect. To be sure, the situation has improved markedly. Monetary expansion has slowed down and the prospects for 1959 are regarded as favorable. But bank loans to the public still rose 20 per cent in the 12 months ending in March, and credit to the government increased by 30 per cent. This is palpably beyond the pace of economic expansion in real terms, and the excessive pressures are making themselves felt in spite of all the control regulations, and in order to contain them effectively, additional action is required in any case. Secondly, important though checks and controls are in imposing a system of economic priorities, any centralized bureaucracy is likely, when pushed to extremes, to breed discrimination on top, and to lessen the sense of responsibility in the executive organs, thus eventually defeating its own ends. How, then, it should be borne in mind that a banker's function is not only to dispense the capital money placed at his disposal by the public or by the authorities, but also to screen would-be creditors and to select, for economic "good risks." Here he obviously cannot rely on regulations alone, particularly for business which is off the beaten track. Detailed qualitative control of the country's credit by the Bank of Israel and the Treasury may therefore improve its distribution on paper, but only time can tell whether this will bring about the desired economic results.

Thirdly, it should be recognized that our credit control, though designed to prevent excessive expansion, operates under an Interest Law which makes it impossible to charge the real market price for credit. By making loans cheaper than the exorbitant interest rates charged on the black capital market, can only be maintained because they are offset by the "subsidized" rates which the respective clients get in the official market, and that the incentive for banks to deviate from the priorities fixed for their loans is proportionate to the respective profit differential. As long as banks earn least on these credits that are most vital from the economic point of view (and vice versa), strict and detailed control of their activities will be ineffectual.

But even the strict control

now maintained has failed to prevent the diversion of capital resources to non-essential luxuries and consumer spending, and one may doubt whether credit control will ever succeed in this task so long as it continues to combat the general trend of economic forces. A reappraisal of control, is necessary, not in order to find a way to circumvent it but to bring it in line with economic reality and thus make it possible for the controlling authorities to fulfill their function more effectively.

The required reform may

involve much more than the working methods of the Bank of Israel, but evidently no step will be taken in that direction so long as the present system is considered satisfactory.

of the foreign currency reserves

would entail serious consequences now that the control of sterling funds held by non-residents has been lifted.

To be sure, Britain achieved

a record current account surplus in 1958, but recently released figures show that most of it was due to an unusual influx of short-term funds, attracted by high interest rates. London and by the firm financial policy that put an end to speculation about sterling devaluation. Moreover, most of the surplus was accumulated in the first half of the year, before credit policy began to veer to deflation, and discount rates have gradually been cut. Should, therefore, the renewed economic expansion be confined to the home market without a parallel rise in export trade, the resultant decrease in Britain's gold reserves would easily produce another awkward inequitable exodus of hot money.

Jets vs. Trucks

The operating costs of piston-engined planes range from \$108 to \$112 per hour, and have gradually been reduced to \$100 per hour. The cost of jet-prop planes promise to cut these figures to half. Of late many air companies have shown interest in the development of cargo traffic. Several of the new designs employ an unusual "wing tail" the rear fuselage swings away on a side hinge, so that the plane can be unloaded and reloaded in 30 minutes. The prospects for the new cargo jets have already led J.R. Hoffa, President of the Teamsters Union in the U.S., to declare that air freight traffic is beginning to compete with road traffic (although U.S. rail shipping costs are estimated at \$105 per ton-mile, and truck costs at only a little more). The Teamsters would start a campaign to organize air freighters at air freight terminals.

Uranium Surplus

Like several other industries developed under the impact of America's strategic requirements, uranium is now facing a bleak future. Only a year ago the Atomic Energy Commission had contracts for purchasing \$700,000,000 of uranium annually in the period 1959-62, and was spending \$200,000,000 in 1962, and was still contracting for new ore discoveries. But the situation changed completely after the discovery of considerable uranium deposits in the U.S. (on the Colorado Plateau and in New Mexico, and the uranium was still a good many years away. The AEC withdrew its guarantees to buy after 1962 uranium concentrates produced from reserves developed after 1958, and started negotiating with the producing companies to "stretch" remaining contracts. The AEC is still buying uranium from Canadian producers at a rate of over \$200m. a year, and from South Africa at a rate of \$150m. while its purchases from American companies may reach \$300m. this year, but the buying programme is being reduced (despite opposition from U.S. vested interests) while production capacity is still rapidly increasing in the wake of the atomic explosion. It has been estimated that the world's uranium output may meet requirements three to one by 1963.

Lehavot Makes Extinguishers

THE Lehavot Sheet Metal works, which are part of Kibbutz Lehavot Habashan, are now producing automatic extinguishers. The factory is known throughout the country for its low volume industrial sprayers and, together with a smaller urban plant, produces enough sprayers to meet the entire country's needs. The sprayers are made in three basic models and can be carried by hand or, as in the new model, operated with a lever which carries knapsack-fashion. Another model can be used from the back of a jeep. These products are so popular with Israel's farmers that they generally ask for a "Lehavot" instead of for a sprayer.

The workshop lies in the heart of the kibbutz at the foot of the Syrian hills. Upper Galilee. Galilee is laid out efficiently so that the sprayers and extinguishers can be turned out in batches. At one end of the main hall is a cutting machine which cuts the elliptical end covers are

pressed out of brass. An automatic circular spot-welder closes the seams. From there the tanks' other components and pump are inserted. Producing extinguishers was a logical solution to making the most of available equipment. Sprayed a bright post-box red, their production ends with their labelling and packing at the opposite end of the shed.

The Lehavot products are a combination of the best in British, American and Italian design but export is difficult: cheap in our makes the Italian sprayer the cheapest on the international market.

Lehavot's present manager has just completed a special course at the Productivity Institute in Tel Aviv but in true kibbutz tradition, he will probably be transferred to another sector before long, and replaced with a newcomer to production. Lehavot has moved with the times though — it employs a number of skilled workers from Miryat Shimonah.

M.R.

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Kibbutz Industry Is Shy of Labour

By Our Economic Editor

MUCH has been written about the problem of labour in collective settlements and the impediment it constitutes to economic expansion. Agricultural experts have time and again pointed out that the kibbutzim's insistence on work being carried out by members alone, and their refusal to employ outside wage-earners, has resulted in slowing up the pace of agricultural production, and in many places created the paradoxical situation that an acute shortage of manpower exists in the settlements while grave unemployment exists outside. The matter has become a major public political issue, and no one is trying to minimize its importance any longer.

In recent years several attempts have been made by the collective movements to bring the problem nearer to solution on the practical level. Members have been induced to work overtime and forego their weekly and annual leave. The use of mechanical equipment has been pushed to extremes. Changes have been introduced in the crop rotation in order to reduce the need for labour. Special contracting bodies have been established in order to create a separate framework for employing hired labour where it has been found indispensable, as in harvesting cotton or vegetables. Last but not least, quite a number of collective settlements have bowed to the economic necessity and employ hundreds of workers notwithstanding claims of conscience.

However, it would be foolish to consider the problem as solved in any sense. For the basic attitude of the kibbutzim has not changed and they remain adamant in their opposition to an element that is contrary to their philosophy and likely to undermine their social framework; and even though they may lend their hand to a temporary compromise, their long-term plans inevitably stick to the assumption that ultimately they will be able to get rid of the proletarian intruders — just as they got rid of capitalist exploiters — in their economic and society. Economists may deplore the attitude as utopian politicians may label it sectarian or exclusive, but anyone with some understanding of social realities will have to acknowledge its inherent strength and its moral value and cannot doubt the vital importance of the features for settlements that have to eke out a living in a pioneer fringe.

However, as a rule the problem is considered only in its relation to the advance of farming. At a closer view it proves perhaps even more important in the kibbutzim's industrial development, where seasonal factors play a smaller role and shifts in production patterns and methods are much more difficult.

Moreover, the problem assumes here a novel aspect, for it involves not only unskilled labour but also technicians and experts, some of whom must occasionally be hired from outside. The salaries paid to highly skilled labour are, however, considerably higher than the equivalent received by a kibbutz member, and the differential thus created cannot but cast a shadow on the self-contained equality of a collective society. On the other hand, an industrial enterprise forced to rely upon a limited supply of local labour and skill, and detached from outside progress and from the shifting labour market, is likely to lose dynamism and spirit.

Successful Factories

These reflections may seem somewhat academic when one views the many successful factories established by the collective settlements.

Between March 1, 1958 and March 1, 1959, the total population increased by 60,631 — 52,270 Jews and 8,361 non-Jews.

Immigration

During the year March 1, 1958 to February 29, 1959, 31,315 persons settled in Israel (including 24,000 Jews and 7,315 non-Jews). This brought the total of immigrants since the establishment of the State to over 800,000. Most of the past year's immigrants came from North Africa and Eastern Europe.

Between March 1, 1958 and March 1, 1959, the total population increased by 60,631 — 52,270 Jews and 8,361 non-Jews.

Finance

National income in 1958 was IL2,945m. (compared with IL1,000m. in 1950), i.e. IL3,472 per capita (IL1,750 in 1950). Figures are calculated at 1956 prices.

The deficit on current account rose from \$282m. in 1950 to \$337.6m. in 1957, but the per capita deficit fell from \$230.5 to \$168.7.

The 1959/60 budget balances at IL1,472 million, including IL838m. for the Ordinary Budget, IL143m. for debt payments, reserves, etc., and IL491m. for development and housing. The largest items are IL371m. for defence and reserves, and IL179m. for housing, mainly for immigrants; IL168m. are transferred from tax revenue to the Development Budget, over 50 per cent of which is covered from internal sources.

Agriculture

During the 10 years from 1948/49 to 1957/58 the area under cultivation grew almost 21 times, from 1,610 to 3,391,000 acres. The area under irrigation rose more than fourfold, to a total of 1,225,000 dunams.

Special attention paid to cattle breeding resulted in a rise from 31,000 head in 1948 to 82,000 in 1958.

Cotton, first sown in 1953, now supplies almost two-fifths of the local demand. Groundnuts (1,000 dunams in 1948/49) are now the third most important agricultural export item, after citrus and eggs.

The value of agricultural output has increased from IL177m. in 1948/49 to IL1,667m. in 1957/58. Israel has achieved complete self-sufficiency in eggs, poultry, dairy and milk products, vegetables, fruit and potatoes.

Mineral Resources

The exports of the development corporations totalled IL155m. in 1958/59, as compared with IL27m. in 1955/56.

The output of potash reached 100,000 tons in 1958/59. The Bromine Plant produced 1,665 tons of bromine and its salts last year. Production of phosphates totalled 211,000 tons in 1958/59, compared with 146,000 in 1957/58, and output is expected to rise to 250,000 tons in the current year, which will leave a surplus of 150,000 tons for export. Negev minerals are being shipped to Asia and East Africa through the Red Sea port of Eilat, open to shipping since the Suez Campaign.

In 1958/59, 105,000 tons of oil (struck for the first time in 1955) were pumped from the 25 producing wells at Heletz, as compared with 60,000 in the previous year, thus providing about ten per cent of Israel's consumption of crude petroleum, apart from heavy oil for generating electricity.

Industry

Industrial output has increased almost fourfold since 1948. The number of workers employed has grown from 80,000 in 1949 to 345,000 in 1957.

Investment in development rose up to January 1, 1959 totalled IL255,548,000.

The main branches of Israel's industry are metals and machinery, textiles and footwear, food, beverages and tobacco; woodworking; diamonds; building materials; chemicals; pharmaceuticals; plastics; paper and cardboard; printing; glassware and ceramics; and electrical equipment. Notable progress has been made in the development of industries engaged in the primary and secondary stages of production.

Cooperative enterprises, highly developed in Israel, include most of agriculture, passenger transport by road, and many industrial, trading and service organizations. At the end of 1958 there were 7,427 cooperatives, with a total membership of 124,000.

Foreign Trade

Israel's exports rose from \$29.7m. in 1949 to \$144.3m. in 1958, and the percentage of imports covered by exports grew from 11.7 to 33.4 per cent.

At the beginning of 1959 Israel had trade agreements with 25 countries, as compared with 19 a year before. In 1958 Israel exhibited at the Brussels International Fair and New York Trade Fair, as well as at Johannesburg, Helsinki, Poznan, Smyrna, Sainika, Zagreb, Belgrade, Bari, Marseilles and Frankfurt.

The most important markets for Israel goods are Great Britain and the U.S., which between them took over 36 per cent of the country's exports in 1958.

Israel's main exports are citrus fruit and polished diamonds, textiles, wearing apparel, rubber tires and tubes, eggs, plywood, fruit juices, motor vehicles, groundnuts and cement.

Imports fell slightly in 1958. The main supplying countries during that year were the United States, the German Federal Republic, the United Kingdom, France and the Netherlands, the imports from which accounted for 82 per cent of the total.

Over two-thirds of imports in 1958 consisted of production and investment goods, as compared with 64.5 per cent in 1952.

Restricting output obviously cannot settle the basic issue, which confronts not only agriculture but industry as well. This is the need to produce not only more cheaply but also a greater variety of products, and the necessity to adjust investment to returns. If genuine solutions have been proposed to either problem, it is because inflation and the habit of exaggerated public assistance have obscured them.

It is understood that an inflationary atmosphere makes for exaggerated spending. The case of the farming community shows that under certain circumstances it also leads to exaggerated capitalization, partly financed, to make things worse, by short-term loans and accentuated by a shortage of working capital.

No one will deny that the farming community cannot be left to face every disaster out of its own resources, but there must be a margin of finance for emergencies, and much closer calculation of costs. When the money shortage threatens to choke the younger settlements some years ago, arrangements were made to convert short-term loans into longer ones and to supervise investments. This policy helped, but it was not introduced wholeheartedly. Too many of our farmers still see their main task as in making the farm pay but in getting more loans which — they hope — they can deal with later somehow.

Search for Credits

Nevertheless, part of the settlements' long-range development for years has not been deterred by the obvious search for new credits to replace them, and a chronic money shortage; but their lagging along somehow so long as no major mishap really upset calculations. With the drought and, especially, the urban worker is interested in supplies that

are not only plentiful but cheap. In the long run this will also benefit the farmer, whose production costs go up every time the cost of labour and urban wages rise. The farmers realize this: they were the first to demand supply and demand, the reliefless advance of the c-o-l.

The chronic credit shortage which has led to bitter complaints from one quarter or another, but in the introduction of costly mechanical equipment in view of the labour shortage and rising labour costs. But they did not calculate very carefully whether the new machines would really be more and more credit was linked to the dollar or the index, and during the past year borrowers have been more careful about contracting loans.

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means that production must be brought into line with marketing possibilities, including export in certain cases, to the urban market. In an economy that leaves prices to find their own level according to the Government's export policy, the farmer would try to assess the market for the coming season and theoretically switch from one crop or branch to another. But in countries where the farmer accepts control in return for price guarantees and other facilities, he is not free to do so. The Government must follow the lines laid down by the planning boards, and cannot grow a more, particularly when the market is so tight that the farmer really cheap. Until now a real glut on the market has always been prevented by destroying surpluses.

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